Daily Report

Latin America

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FBIS-LAT-95-160 *18 August 1995*

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Association of Caribbean States Summit Events Viewed

Molina Duarte Named ACS Chief

FL1708184095 Bridgetown CANA in English 1807 GMT 17 Aug 95

[FBIS Transcribed Text] Port of Spain, Trinidad, Aug 17, CANA - Dr Simon Molina Duarte, a Venezuelan, was confirmed Thursday as Secretary-General of the fledgling Association of Caribbean States (ACS), an economic grouping embracing Caribbean and Latin American countries.

The Executive Council of the ACS, meeting ahead of a two-day ACS summit on Trade, Tourism and Transportation opening here tomorrow, reported that it confirmed the appointment.

Molina Duarte, who has 40 years experience working with the public and private sector, will head the secretariat which will be based in Port of Spain.

Molina Duarte will take up residence in Port of Spain in October. The headquarters of the ACS is under construction.

The executive council also formally confirmed Trinidad and Tobago as the headquarters of the ACS.

Earlier today, President Fidel Castro of Cuba arrived amid tight security.

Secretary-General Designate on Role of ACS

FL1708164895 Bridgetown CANA in English 1619 GMT 17 Aug 95

[FBIS Transcribed Text] Port of Spain, Trinidad, Aug 17, CANA - Secretary-General designate of the Association of Caribbean States (ACS), Dr Simon Molina Duarte, said Thursday [17 August] the secretariat's biggest challenge would be working with a relatively small budget to achieve major goals.

"My main challenge is that I have received a programme of action with so many obligations and so many requests from the governments, with such a little budget - that is my big challenge," said the Venezuelan national who on Thursday is expected to be formally sworn in.

Molina Duarte, who has 40 years experience working with the public and private sector, will head the secretariat which will be based in Port of Spain.

Dr Edwin Carrington, Secretary-General of the Caribbean Community (Caricom) Secretariat described the bilingual Molina Duarte as a, "man with vision".

Both Carrington and Molina Duarte were speaking at the launch of an educational display entitled, "The Caribbean Basin Exhibit" on Thursday, the eve of a two-day ACS summit on Transportation, Tourism and Trade.

"He is the man whose hands I have complete faith in putting the future of the Caribbean into," said Carrington. "It is time to build the Caribbean for the people of the Caribbean. Duarte is the man to do it."

Speaking to the Caribbean News Agency (CANA) after cutting the ribbon to launch the Caribbean Information Systems and Services computerised, audio visual display, Molina Duarte said the challenge ahead was one which he is willing to accept.

"Two years ago if offered this post, I would have declined without thinking twice. But since then, the Caribbean has positioned itself for development and I am willing to take it through the final hurdles."

Although he said that the final decision as to the exact budget allocated to the ACS will be formally approved, he estimates that it would be in the vicinity of US 1.5 million dollars.

"A small sum really, but enough to get a small operation off the ground. I believe that the office should be small and tightly operated. I want to deal with little red tape and there is already too much bureacracy in the region to add more," said Molina Duarte who will take up residence in Trinidad in October.

He is still unsure where his temporary office would be located, while the ACS headquarters is being built by the Government of Trinidad and Tobago.

"It's really a challenge, but I would do it with the co-operation of all the regional and sub regional bodies that already exist. I will try to make a team with all of them in order to work for common goals and objectives," he said.

His priorites include increasing trade within the region, which is tied to developing financial stability.

This would also include deepening relationships with Cuba.

Duarte gave his reassurance that he is happy to have Cuba among the 25 member Association.

"Cuba has always been a part of the Caribbean and they will be members with full rights and full obligations," he said.

Noting that Cuba, like so many other territories can contribute in the field of science, technology, trade and tourism, Duarte said that Cuba's problem with the United States does not affect its ACS membership.

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"The US has a bi-lateral problem with Cuba that they have to solve. It is a problem in which we cannot intervene," he said.

However, Duarte is confident that when the problem is solved, it can be expected that the United States through Puerto Rico and the Virgin Islands will become members or associate members of the ACS.

"Even though they don't belong, they are still strong markets and nobody is going to forbid trade with them," he added.

"It's time we understand that we all need to work together to make the Caribbean basin a reality in economic, technical and scientific terms," he said, urging the region to "...follow the path that is aimed at common thinking and common policies for the Caribbean".

ACS Publishes Draft Declaration of Principles

FL1708215395 Bridgetown CANA in English 2055 GMT 17 Aug 95

[FBIS Transcribed Text] Port of Spain, Trinidad, Aug 17, CANA — The following is the draft Declaration of Principles on Tourism, Trade, and Transportation, coming out of the First Summit of Heads of State and Government of the Association of Caribbean States (ACS):

"We the Heads of State and Government of the States, countries, and territories signatories to the convention establishing the Association of Caribbean States, meeting in Port of Spain, Trinidad and Tobago on 17-18 August, 1995 on the occasion of our inaugural summit, express satisfaction at the entry into force of the convention, and agree to issue the following declaration of principles on tourism, trade, and transportation:

1. We are firmly committed to initiating a new era in the Caribbean region, characterised by the strengthening of integration, concerted action, and consultation to ensure greater cultural, economic, political, scientific, social, and technological cooperation among our peoples, governments, and countries;

2. We commit our countries to pursuing the promotion of this process in a climate of respect for the sovereignty and territorial integrity of our states, the right of our peoples to self determination, to the rule of law, and to the adherence to democratic principles, the observance of human rights, and the peaceful resolution of disputes;

3. We reaffirm our commitment to our common objectives within the hemispheric systems and that of the United Nations, convinced that our efforts within the Association of Caribbean States will create a more competitive and viable economic space, strengthen our capacity to implement our commitments in other domains, and advance the general development and prosperity of our peoples.

4. We reiterate that cooperation among the members of the Association of Caribbean States provides an ideal mechanism and affords a unique opportunity for responding to the challenges and opportunities presented by the globalisation of the world economy, increased trade liberalisation, and competition for investment and markets;

5. We recognise that the historical and cultural diversity of the members of the Association provides a solid basis for developing our efforts at cooperation and concerted action within the Association of Caribbean States in the areas, inter alia, of tourism, trade, and transportation, as well as in contributing to overcome the separateness of the past, to the benefit of our peoples and countries;

6. Conscious that the prime objective of our efforts must be aimed at improving the standard of living of our people, and particularly at effectively combatting the critical state of poverty in which a large part of them exist, we commit ourselves to promote the sustainable development of our region, as a viable strategy aimed at improving these conditions;

7. We consider that in the current conditions, tourism, trade and transportation constitute three critical sectors which should be accorded priority in our concerted actions to promote cooperation, thus ensuring the development of our peoples and laying the foundations for advances in other areas of interest to the members of the Association;

8. Convinced that the natural endowment and cultural diversity and heritage of the Caribbean make it an attractive tourist destination, and that the tourism sector is vital to the economies of our countries, we commit ourselves to uniting efforts and actions aimed at increasing the tourist flow to the Caribbean, at improving tourism infrastructure, and preserving the environment;

9. We reaffirm our commitment to the principles enshrined in the agreement, establishing the World Trade Organisation as a basis for developing free trade among all nations. We recognise the vital contribution which increased trade can make to the economic development of our countries and are therefore opposed to all policies, measures, and actions which are contrary to international law and practice, and which impede or restrict the growth and development in the trade of nations; (Text of Paragraph 9 agreed by delegations, with reservations. Entered by Dominica and Jamaica).

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10. We are keenly aware that the development of our tourism industry as well as our trade in goods and other services require the development of efficient and viable air, sea, and land transport systems. In this regard, we commit ourselves to taking concerted and expeditious action;

11. Cognizant of the significant differences in levels of development, size. and population among our states, countries, and territories, we will accordingly seek means to foster development and provide opportunities to facilitate the participation of all states, countries, territories in the integration of the Caribbean.

12. We reaffirm the importance attached to the Caribbean Sea, the role it has played in our history and the development of tourism, trade, and transport, as well as its potential for contributing to the development of our peoples and countries. We are therefore determined to ensure its protection and conservation on an environmentally sound and sustainable basis, as the common patrimony of all the peoples of the Caribbean.

13. We recognise that there is significant scope for growth of tourism, trade, and transportation as a means of advancing development and economic integration within the ACS region, and that the full realization of this potential depends critically on our public and private sectors being able to cooperate to address the challenges and constraints, as well as to exploit the synergies, in the three sectors. To advance this process, we agree to adopt and implement the following plan of action.

ACS Leaders on Summit Significance

FL1808004095 Bridgetown CANA in English 2324 GMT 17 Aug 95

[By Linda Hutchinson]

[FBIS Transcribed Text] Port of Spain, Trinidad, Aug 17, CANA - Heads of state and governments of the Association of Caribbean States (ACS) reaffirmed their commitment to unity and deepening regional ties at the opening here Thursday of a two-day summit on tourism, trade. and transportation.

On Thursday, it was also formally announced that Venezuelan Simon Molina-Duarte was unanimously elected as the first secretary-general of the ACS, while Port of Spain was accepted as the site for the ACS headquarters by the Council of Ministers meeting ahead of the summit. Venezuelan President Rafael Caldera set the mood of the opening session, which was attended by hundreds of delegates, when he said that through exhanging experiences and associating with member countries, a great deal can be accomplished for the peoples of the Caribbean.

"(There is) a great deal we can present to our peoples, to our electorates, to our citizens as the result of the common work we do together," he told delegates from 31 countries and 21 regional and international organisations. "We must then take advantage of this initiative to advance our purposes, our goals ... and the government and people of Venezuela are willing to offer our decisive participation in the attainment of these goals."

Mexican President Ernesto Zedillo Ponce de Leon said the coming together of the different countries to form the ACS reflected a political will to cooperate.

"Today must begin a new phase, reap rich achievements to strengthen interchange and friendship among our countries. For this reason, for my country, this is a very, very important meeting," he said. "Regional cooperation is a clear road for the future for Mexico and our countries...."

Belize Prime Minister Manuel Esquivel: "We need to be faithful to the commitments enshrined in the convention establishing our association and we need to ensure that the political will to implement all decisions never falters, or in any other way, be less than equal to the challenges which confront us." Esquivel stood in for Caricom chairman, Dominica Prime Minister Edison James, whose arrival here was delayed by bad weather.

The Foreign Affairs minister of El Salvador, who brought a message from President Armando Calderon Sol, said the Summit was taking place at a time when the region had started a new era and was overcoming obstacles through an exchange of experiences.

"There is no doubt that only by assuming these values as a guide for our harmonious daily existence, only then will we be able to face up to the enormous economic, social, and political challenges which the process of globalisation faces us with, from a solid position of commitment to progress and the well-being of our people," he said.

Cuban President, Dr. Fidel Castro, who received thunderous and sustained applause, said there was a great challenge to shape a common destiny for countries which were markedly different in terms of size, population, and development.

"We are doing it, moreover, when the world is dividing into large commercial blocs and ferocious wars over markets break out and the gap continues to grow between countries with access to advanced technologies and the poor countries, overwhelmed by the burden

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of their debt and their insoluble social problems," he said. "We do believe, however, in the idea of a united Caribbean, and we are certain that together we shall overcome our present difficulties."

Mme. Lucette Michaux-Chevry, president of the regional Council of Guadeloupe, brought greetings from the French President Jean Chirac. She said: "France wishes to reaffirm its will to associate itself fully with the efforts carried out to reinforce regional cooperation in the Caribbean. In fact, common history unites us, and this past has woven among us links which justify fully the recognition of a collaboration and efficient work in the interest of our people."

Prime Minister Patrick Manning of Trinidad and Tobago said the coming into being of the ACS within the short period of three years since the first formal consideration of the idea was a powerful symbol of the efforts towards genuine unification of the countries.

"The voices of doubt and uncertaintly, anchored, as they were, in the sterile rhetoric of divisions defined by land and water, language, culture and history, now retreat before the new vision which stands before us," he said.

Castro: 'Improve Regional Trade'

FL1808003395 Bridgetown CANA in English 2229 GMT 17 Aug 95

[FBIS Transcribed Text] Port of Spain, Trinidad, Aug 17, CANA — Cuba's President Fidel Castro on Thursday urged leaders from the Caribbean and the Americas to improve regional trade and transportation as they faced up to the challenge of shaping "a common destiny for nations markedly different."

Addressing the opening session of the first summit of the Association of Caribbean States [ACS] in Port of Spain, the Cuban leader said:

"Our common trade is insufficient. Our economies do not complement each other. Traditionally, we have conducted our trade with the developed nations and our domestic markets are weak.... A special effort should be made to strengthen our trade amongst ourselves."

Castro described transporation in the region as inadequate and "an obstacle for tourism development and integration."

"No effective integration amongst our people can be achieved while traveling from our country to Europe and to the United States is easier than travelling in the region. That situation must be reversed," he said.

The ACS summit, which ends Friday, is focusing on transportation, trade, and tourism — key issues for the grouping of 25 states that includes the Caribbean Community members, Costa Rica, Cuba, El Salvador, Honduras, Venezuela, and Mexico.

In a speech well received by the several heads of government gathered here, Castro said ACS countries were "opening a new chapter in the history which we began to write ourselves some time ago." He called for firm action on agreements reached at the meeting, saying: "The decisions we make today cannot be allowed to become dead- lettered. They should have a concrete follow-up and lead to the creation of effective tools for joint work." He underscored the importance of integration among Third World countries.

"A great challenge stands before us to shape a common destiny for nations markedly different with regards to size, population, and development," he said. "We are doing it, moreover, at a time when the world is dividing into large commercial blocs and ferocious wars over markets break out and the gap continues to grow between the rich countries with access to advanced technology and the poor countries, overwhelmed by the burden of their debt and their insoluble social problems.

"We do believe, however, in the idea of a united Caribbean, and we are certain that together we shall overcome our present difficulties." Castro said the region was "finally understanding that in unity lies our people's path towards the future."

The Cuban leader called for protection of the Caribbean Sea from "neglectful pollution, as well as the overexploitation of its resources." He added: "The vulnerability of our eco-system, vital to our economic survival, should be the object of serious consideration in the regional economic programme. Waiting is no longer possible because tomorrow could be too late."

Robaina on Caribbean Relations, U.S. Blockade

FL1708192595 Bridgetown Caribbean Broadcasting Union Television in English 1810 GMT 17 Aug 95

[Report by Denise Moore, Trinidad and Tobago Television (TTT) correspondent; first paragraph displayed on video; Robaina speaks in Spanish with simultaneous translation into English; from the Caribvision News Feed]

[FBIS Transcribed Text] After years of looking to the former Soviet Union for trade links, Cuba is finally finding luck in its own backyard. Cuba is one of the four Latin American countries to ratify the document establishing the Association of Caribbean States [ACS]. "TTT News" spoke with Cuba's foreign minister, Roberto Robaina:

[Begin recording] [Moore] The Cuban foreign minister says Cuba has always considered itself a part of the

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Caribbean. He says his country's ratification of the convention establishing the ACS is just one signal of its intentions. But like Foreign Minister Gordon Draper, the Cuban foreign minister is quite vague on the question of whether or not President Castro will see it fit to attend the inaugural summit of the ACS. Mr. Robaina says his people are not looking to Caribbean nations for support in light of a 30-year-old U.S. trade embargo and recent efforts in the U.S. Congress to tighten sanctions against his country.

[Robaina] But our people must also resist this, because of men and women in the world...[pauses] regardless, they do not ideologically share what we are doing (?with) respect to those who speak with their own voice. Cuba has gained (?today the) respect and international respect, and we are not coming looking for particular support to blockade...[pauses] or condemnation against that blockade. I believe there is a bigger, wider scenario in which all the participants have already offered the vote, which is the United Nations.

[Moore] However, Foreign Minister Robaina admits that the trading potential of the ACS is important to his country. The Cuban foreign minister makes the point that with the collapse of their main trading partner — the former Soviet Union — Cuba is now looking for new relations. Mr. Robaina adds that past circumstances made it difficult for his country to forge stronger links with the rest of the Caribbean.

[Robaina] I believe that for a long time to the Caribbean and Latin America many pressures were done so that they would not have trade relationships with Cuba. Happily, today, even when the pressures are on Latin America and the Caribbean, they're related with Cuba. We have always believed that it is very important in any economic strategy to strengthen the relationship with the surrounding countries, not just because of the geographical distance (?to us) but because of a cultural identity.

[Moore] Mr. Robaina says the bottom line is that Cuba is and always has been a part of the Caribbean. For his country and his people, this is an opportune moment to finally embrace their neighbors. [end recording]

Venezuelan President's Summit Plans

PA1708213495 Madrid EFE in Spanish
2115 GMT 16 Aug 95

[FBIS Translated Text] Caracas, 16 Aug (EFE) — On 17 August, Venezuelan President Rafael Caldera will travel to Port of Spain, the capital of Trinidad and Tobago, to participate in the first summit of heads of state and government of member countries of the Association of Caribbean States [ACS].

Venezuelan Foreign Minister Miguel Angel Burelli, who will travel to Port of Spain today, said that Caldera will meet with his Mexican counterpart Ernesto Zedillo on 18 August, among other activities that will take place within the framework of the summit. The two presidents will discuss the situation of the Group of Three (G-3), an integration mechanism made up of Colombia, Mexico, and Venezuela whose future seems to be jeopardized by political problems in Bogota and economic crises in Mexico and Venezuela.

After the first session of the ACS summit today, Caldera will meet with Denzil Douglas, prime minister of St. Kitts and Nevis, and Keith Mitchell, prime minister of Grenada.

The foreign minister refused to confirm if the Venezuelan president will meet privately with Cuban President Fidel Castro. This possibility has been raised by local diplomatic circles in the past few days.

Burelli said that "Venezuela's main interest at this first ACS summit will be the election of the first secretary general of this organization, and our country is proud that this person will be Venezuelan Simon Molina Duarte."

Seventeen heads of state and government and about 500 delegates from member countries are expected to attend the first ACS summit on 17 and 18 August.

Caldera Calls For Joint Drug Enforcement

FL1808010195 Bridgetown CANA in English
2335 GMT 17 Aug 95

[FBIS Transcribed Text] Port of Spain, Trinidad, Aug 17, CANA — Venezuela's President Rafael Caldera said Thursday the Association of Caribbean States (ACS) presents an opportunity for countries to jointly fight against drugs and corruption.

Caldera [word indistinct]: "We have to ... join efforts against delinquency and drug trafficking. We have to join efforts against corruption. We have to at all times and with constancy make efforts to increase the level of culture and to take advantage of the great cultural legacy that we have in our peoples.

"We would want the Caribbean to be a group of bilingual people.... We are willing to assist in every way we can so that the English-speaking countries of the Caribbean and those who speak other European languages, Spanish, could be more widely spread."

Caldera said the Caribbean must take advantage of the ACS initiative to advance its goals.

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Belize Defense Force To Command Caricom Haiti Contingent

FL1708221495 Bridgetown CANA in English 2111 GMT 17 Aug 95

[FBIS Transcribed Text] Belmopan, Belize, Aug 17, CANA — The Ministry of National Security has announced that the Belize Defence Force has been asked by the Caribbean Chiefs-of-Staff to take over command of the Commonwealth Caribbean (Caricom) contingent from Guyana on 11 September 1995.

The BDF has also been requested to be the coordinating headquarters (HQ) for the Caricom contingent and will be providing its commander, staff officers for the HQ in Haiti, some specialists and other ranks, totalling 35 personnel working under the United Nations Mission in Haiti (UNMIH).

The Government of Belize has authorised the BDF to take up the challenge, and 35 BDF personnel will leave Belize soon to assist in Haiti. Coordination with the Defence Force of Guyana, Trinidad, and Barbados, as part of the Caricom contingent, will soon be completed under the supervision of BDF Colonel Robert S. Garcia, deputy commandant of the BDF. The contingent commander will be BDF Lieutenant Col. Hugh Cain who, along with Captain Omar Pulido and Corporal Anthony Gongora, will leave Belize on 28 August for Haiti as part of the Caricom reconnaissance party. On 4 September, Lt. Elihu Anderson and Warrant Officer Class 1 Lincolm Jones should depart Belize to Haiti on the advance party. The remaining (30) soldiers, under the command of Major Peter Parchue, will deploy on 11 September for a 6-month tour of duty. The exact departure timings will be provided at a later date.

The Ministry of National Security and the BDF are pleased to take up the responsibility to be the coordination headquarters for seven Caricom Armed Forces, as well as providing the commander and staff in Haiti, which is expected to provide meaningful experiences for the Belize Defence Force.

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Cuba

Government Participation in ACS Summit Viewed

Castro Arrives; Action Plans Ready

PA1708192095 Havana Radio Rebelde Network in Spanish 1700 GMT 17 Aug 95

[Report by Zenaida Cotales; from the "National Radio News" newscast]

[FBIS Translated Text] Cuban President Fidel Castro arrived in Port of Spain, capital of Trinidad and Tobago, at 1240 to participate in this afternoon's Caribbean presidents' meeting, where action plans for tourism, trade, and transport and a statement of principles will be approved.

Castro is expected to take the floor in today's opening session in the name of the three countries that do not belong to any integrationist bloc. Both foreign accredited journalists and the Trinidad and Tobago media have positively highlighted Cuba's presence in this Association of Caribbean States [ACS] meeting, as the big sister in the Antilles. The foreign ministers in attendance met at approximately 1100 to approve important proposals, including the following.

1. Officially confirm the creation of the ACS.

2. Select Trinidad and Tobago as permanent ACS host.

3. Elect Venezuelan citizen Simon Bolivar, who recently visited Havana, secretary general.

The three action plans for tourism, trade, and transport and the statement of principles, which will be presented to the presidents' consideration, have already been prepared.

Tomorrow, Cuba will have a second opportunity to participate in the summit in the name of the Cuban nation.

The opening session of this Caribbean summit, which will unite political wills and economic interests for the Caribbean's integration, will open at 1500 sharp.

May I reiterate. The creation of ACS will be officially approved shortly. Trinidad and Tobago has been approved as ACS host country. Venezuela has been confirmed as member of the executive secretariat.

Castro Addresses Summit Opening

PA1808014395 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 18 Aug 95

[Speech by President Fidel Castro at the opening of the summit of the Association of Caribbean States in Port-of-Spain, Trinidad and Tobago; from the "NTV Newscast" — recorded]

[FBIS Translated Text] Mr. President, Mr. Prime Minister, Excellencies:

The Antilles lie in the focal point of the Americas, Jose Marti wrote more than 100 years ago. He was the most passionate Latin American and Caribbean thinker.

On behalf of the three countries of the greater Antilles represented here with the painful absence of our brother Puerto Rico, I have been requested by the organizers to greet this conference, the celebration of which Cuba is deeply proud.

A year ago, as an expression of our sovereign political commitment, we decided to create the Association of Caribbean States [ACS]. We have a great challenge ahead of us. We must draft common objectives for nations that are notably different with regard to their size, population, and development. We are also doing it at a time in which the world is being divided into huge trade blocs. Ferocious battles for markets are being waged and the gap between rich countries with access to the technologies of the future and the poor countries burdened by their foreign debt and by their social problems increases each day.

We believe, however, in the idea of a united Caribbean and we are sure that together we will be able to overcome our current difficulties.

Different economic groups and pacts are currently emerging in Latin America. The region has finally understood that the future of our peoples depends on our unity. The ACS represents the possibility to achieve their insertion into the economy and regional integration processes for blockaded Cuba, Haiti, and the Dominican Republic.

To speak about integration in the Caribbean we must discuss the topics that gather us here today. These are trade, tourism, and transportation.

In the tourism field we have made certain progress, but we are still far from turning the region as a whole into a privileged destination for international tourism based on our natural resources.

This common heritage of our peoples requires special care. The Caribbean Sea must be protected from reckless pollution and the overexploitation of its resources. The vulnerability of our ecosystems, which is vital for our economic subsistence should be the object of serious consideration in regional economic programs.

We can no longer wait because tomorrow it could be too late. Today's decisions cannot become dead letter.

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They must have a correct follow-up and result in the creation of effective instruments for joint work.

Our mutual trade is scarce; our economies fail to complement one another. Traditionally, we have traded with developed countries, and our internal markets are weak. We must make a special effort to strengthen our common trade. Transportation in the region is inadequate, and it is becoming an obstacle for the development of tourism and integration in the Caribbean. There will not be an effective integration among our peoples as long as it is easier to travel to Europe from the United States than from our countries. We have to change this situation.

Many of our countries are especially vulnerable, and they are in a situation that, in other respects, is more difficult than the situation in which the rest of the underdeveloped world is.

However, we have a resource that has an exceptional value: we have our peoples, forgers of original cultures and compelled to being ingenious and creative due to the necessary adaptation to a quite fragile and vulnerable environment.

Precisely, our condition as Caribbean provided us with an entrepreneurial, spontaneous, and open disposition toward our nature. It is from here, the irreplaceable resource our peoples constitute, that our main richness and our best letter of victory in the fight for development to occupy a dignified place in tomorrow's world comes.

A notable Caribbean historian and politician born in this hospitable land that is now welcoming us eloquently defined the Caribbean's entry into history when he said that we began by being mere naval and military bases of other countries, bases that attacked, defended, captured, retaken, recaptured, traded, and donated. According to Eric Williams, that is how the beginning of our relations with the modern world and the international economy used to be.

Today, however, exercising our sovereign right and without impositions or protection, we are meeting here to talk about common issues having a vital interest for the fate of our peoples.

Today, we are opening a new chapter in history, which we ourselves began to write not long ago. Thank you very much. [applause]

Robaina on ACS Summit, Economic Integration

PA1708214695 Havana Radio Havana Cuba in Spanish 0000 GMT 17 Aug 95

[Report by Isidro Parrales in Port of Spain, Trinidad and Tobago; from the "Evening Information Review" — passages within quotation marks are recorded]

[FBIS Translated Text] On Wednesday afternoon, in the conference room of the Trinidad Hilton Hotel, the ministers' meeting that precedes the Association of Caribbean States [ACS] summit got under way. This ministers' meeting should put the final touches on these nations' action plan for tourism, commerce, and transportation, a plan drafted by experts over the past two days.

Cuban Foreign Minister Roberto Robaina arrived in Port of Spain on Wednesday. Upon his arrival, the minister held a brief news conference with the Cuban media accredited to the ACS summit. He commented on the meeting.

[Robaina] "As you know and as you have reported, the meeting is proceeding in a satisfactory fashion. I think the most important consideration is that we are meeting to discuss subjects like tourism, commerce, and transportation. The fact we have been able to produce this meeting at the level of chiefs of state and that the recently created ACS will begin functioning by analyzing three issues most important to true economic integration proves that efforts made at the Cartagena de Indias meeting to create the association were indeed worthwhile. I think progress has been made, as stated in documents and in the ACS declaration.

"The ACS very clearly takes Cuba's interests into consideration, but this is not what we came here for. I am sure the ministers will analyze the problems we are all facing, as the chiefs of the state themselves have been analyzing, so that this will be a strong start. We will also analyze the meaning of this summit and what we can get out of it.

"I am one of those who believes that at this kind of summit what is important is not what may be resolved at the meeting but that things be set in motion so that our respective countries, the ACS member countries, can continue things in the spirit in which the countries are now meeting.

"Our country is following the progress of the summit with special attention. Everything that forms part of the Caribbean and favors developing the region's economic potential, especially in terms of its global impact, is supported by Cuba, not because of what might be useful for Cuba but because of what it would do for the entire

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Caribbean, because we can complement each other. This position has united us. Many are worried about who will become a power in the Caribbean. I think that what is important is to turn the Caribbean into a big power, an important power. This is the spirit in which Cuba has come to the meeting.

"What can we do? We have some modest features that are of interest and could be useful to the region, and the Caribbean has many things that are of interest to Cuba."

Foreign Minister Roberto Robaina spoke about what Cuba could contribute to the fledgling ACS.

[Robaina] "Cuba has a lot to contribute in some fields. The rest of the Caribbean is interested in this. We think that Cuba's educational, cultural, academic, and tourist experiences, as well as its commerce and transportation experiences, are truly important.

"We think that right now it is important not only to approve documents, and Cuba will contribute to this, to making the documents as useful as possible for all participants, and to following up on what is stated in the documents. This follow-up will be done at a very complex time, because as you know this is the end of a year of many summits with many documents from regional, economic, or political blocs, all setting important goals.

"I think that the constitution of the ACS, the steps for deciding on a secretary general, and plans for taking other steps as soon as possible could become important contributions that interest Cuba and all other countries."

The Cuban journalists asked the Cuban foreign minister about any opposition that the ACS might meet. He said:

[Robaina] "This obstacle has always existed. Those of us who have participated in meetings have a lot of experience with this. When I say a lot of experience I mean that Cuba — not just Cuba but all integration mechanisms that exist — gives rise to concern among those not interested in the existence of any regional integration mechanism. Because although none of us is a power individually, we are a big group, and this gives cause for concern.

"Without doubt, it has been very difficult for the ACS to become what it is. Cuba doesn't doubt that concern exists that the Caribbean may wake up, as some say. I think the Caribbean has awakened and has a mechanism for this, thanks to the firm position of Caricom [Caribbean Common Market] countries, among others, which, in spite of much pressure, made possible the creation of a Cuba-Caricom Commission, for example. Those countries made creation of the ACS possible, in spite of a lot of pressure. They made it possible. I think that what is beneficial for the poor almost always is cause for concern for the rich."

Robaina Praises Summit Agenda Subject

PA1708194495 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 17 Aug 95

[From the "NTV Newscast"; report by Ana Loyola, Omar de la Cruz, Mario Chao, and Irma Caceres]

[FBIS Translated Text] Speaking to the press, Cuban Foreign Minister Roberto Robaina, who arrived in Port of Spain today, praised the Association of Caribbean States' [ACS] decision to focus its first summit meeting on subjects that are crucial to regional economic integration.

The meeting of ACS ministers opened on schedule in the welcoming capital of Trinidad and Tobago in the middle of the great optimism of those in attendance. Experts had already paved the way for this meeting by studying for three days numerous documents dealing with the three subjects that brought them together, this is to say, tourism, trade, and transport. In addition, they studied carefully a declaration of principles and the action plan that will later be handed in to the ministers.

According to the local people, the documents have points of coincidence that can lead to consensus among all ministers. One problem that affects the Caribbean and, we would say, the world is the environment. Every possibility should be utilized fully throughout the area so that comfort is not the only commodity obtained from construction projects.

The coordination decided on in order to protect the region jointly from slanderous campaigns that harm the normal development of tourism and trade seem very important.

[Begin unidentified official recording in English, with simultaneous translation into Spanish] We perceive ACS as an extremely important (?organization). The fact that Trinidad and Tobago have been selected as the headquarters places us in a very unique position in relation to ACS. [end recording]

Although each side defends its own interests, those who represent transport feel that, without means of communication, particularly in the insular Caribbean, no agreement would go beyond mere good intentions. One of the purposes of the complex world of trade is to try to advance measures that break for good the isolation that this Caribbean area has been living in so far, which at the same time is so close and so far away. The foreign, trade, and transport ministers can or cannot expand the documents, but the mere fact of identifying common problems and causes is a very beneficial exercise.

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[Begin Robaina recording] Cuba wants to offer its modest contribution and in particular wants to learn much. I believe that in the Caribbean there are many things to which Cuba could contribute, such as scientific, technological, medical, educational, cultural, and sports development. The Caribbean has considerable economic experience, from which Cuba also can learn much. [end recording]

Multiple-destination tourism in the area will also be promoted. Let us bear in mind that 13 percent of the tourists who traveled to Cuba last year came from the Caribbean Basin. Another significant event expected to take place here as proof of the Caribbean's concern and strength is the official creation of the ACS Secretariat and the setting of a date for the foreign ministers' first meeting.

Raul Castro Presides Over Party Anniversary Ceremony

FL1708154595 Havana Radio Rebelde Network in Spanish 1155 GMT 17 Aug 95

[From the "Doing Radio" program]

[FBIS Translated Text] The 70th anniversary of the establishment of the first Marxist-Leninist Party of Cuba was observed in a ceremony headed by Army General Raul Castro at the Nico Lopez National Communist Party of Cuba [PCC] School in Havana. In a brief statement which stressed the continuity of those who founded the party and worked under the most difficult of conditions, under harassment and persecution, Raul pointed out that the 100th anniversary of the first Marxist-Leninist party will also be observed here.

The main address was read by Politburo member Maria de los Angeles Garcia who recalled [Julio Antonio] Mella, [Carlos] Balino, Blas Roca, and Favio Grobar, and stated that on this day, by remembering them, we remembered the hundreds of outstanding comrades who, loyal to their communist beliefs, gave their all throughout our revolutionary history without expecting anything in return.

[Begin Garcia recording] Today we remember with admiration and devotion the example of comrade Blas Roca, who headed the party for 26 years and passed the baton of his ideals, humbleness, wisdom, firmness, virtue, and humanism to the firm grasp of Fidel. That was Blas.

Another dear comrade was Favio Grobar, who is no longer with us, but whose example endures. The best homage we can render them is to remember comrade Raul's words, who when referring to illnesses that affected that leader [as heard] mentioned vanity, pride, arrogance, and suggested the best medicine was thinking about??l as dozens of party members and workers.

Government Views Foreign Investment Possibilities

Foreign Ministry Spokesman Comments

FL1808015395 Havana Radio Rebelde Network in Spanish 2300 GMT 17 Aug 95

[From the "NTV" newscast]

[FBIS Translated Text] During his usual press conference with foreign and Cuban correspondents, Carlos Delfin, spokesman for the Ministry of Foreign Relations, stated that Cuba will continue its economic transformation and support foreign investments, which might benefit both Cuba and foreign businesses.

Delfin added that Cuba will not do anything to block foreign investment growth. Delfin also stressed that Cuba's policy seeks to ease the foreign investment process and regulations, and accelerate the screening of proposals despite all types of U.S. pressure.

Law on Control of Enterprises by Foreigners

PA1808120895 Mexico City NOTIMEX in Spanish 1634 GMT 17 Aug 95

[FBIS Translated Text] Havana, 17 Aug (NOTIMEX) — It was learned here today that Cuba's new law on foreign investments will admit total control of certain enterprises by foreign capitalists, but the ban on the freedom to hire employees will remain in effect.

According to official media, the law will allow the existence of enterprises with different capital, other than the Cuban Government, and will regulate the hiring of manpower through organizations that are used for this purpose.

Foreign enterprises consulted here have advocated freedom to hire their employees, but high-ranking officials from the Ministry of Foreign Investments have said this could worsen social disparities among the people.

The legislative bill will be subject to a final 72-hour analysis between Thursday and Saturday by members of the National Assembly of the People's Government [ANPP], prior to its definitive discussion on 4 September, during an ANPP session.

State owned radio has stated that two permanent ANPP committees began debates yesterday to review the text of the law, with which the government hopes to attract more foreign capital.

Those committees will again analyze the law, which is comprised by 59 articles and various provisional

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and special provisions, on 25 August, during plenary sessions to evaluate the deputies' proposals.

According to the latest official figures, foreign investments in Cuba totaled $2.1 billion as of June, following the creation of 212 joint economic ventures with the participation of firms from 53 countries in 30 sectors of the economy.

Foreign Investments Minister Ernesto Melendez said on 15 August that the law, which will replace the obsolete Decree/Law 50 of 1982, will encompass almost all the sectors of the island's weakened economy, except defense and national security areas, and health and education services.

The new text will result from various previous bills, and observers believe this reflects the high sensitivity of this issue in a country that has abstained from sponsoring deals with capitalist businessmen in such an intensive manner up to a decade ago.

The Cuban Government has launched a policy that has encouraged foreign investments as part of its cautious economic reforms in order to overcome the recession in which the island sank five years ago, following the collapse of its former socialist allies.

Mexico, Canada, Spain, and Italy are the nations that figure most prominently in putting forward capital in Cuba, which, according to Vice President Carlos Lage, needs capital, technology, and markets "to achieve what we cannot by ourselves."

The law will be approved at a time when authorities warn the crisis in the vital sugar industry could neutralize the economy's growth, which President Fidel Castro has predicted would be 2 percent in the first semester.

Pinar del Rio Deputies Debate Bill

FL1808014995 Havana Radio Rebelde Network in Spanish 2300 GMT 17 Aug 95

[From the "Exclusive" program]

[FBIS Translated Text] On 17 August, Pinar del Rio deputies held a preliminary discussion on the foreign investment bill, which will be presented during the next National Assembly of the People's Government [ANPP] session for evaluation and approval. The bill authorizes foreign currency investment in all economic sectors in Cuba, with the exception of the defense, national security, health, and education sectors. It also contemplates the possibility of operating enterprises entirely from abroad [operar empresas del exterior totalmente].

Deputies and invited guests are currently discussing the bill in similar meetings nationwide. The foreign investment bill comprises almost 19 pages, 17 chapters, 59 articles, and also temporary, special, and final rules. Among other goals, the bill seeks to promote foreign investment — based on respect, sovereignty, and independence — to strengthen Cuban economy and development. ANPP president, Ricardo Alarcon, stated that an economic affairs commission and a legal affairs commission will discuss the foreign investment bill next week.

[Begin Alarcon recording] The idea is precisely to begin discussing the bill right now. The process will therefore be much more advanced when the ANPP meets, there will be more consensus on the different articles in the bill, which will be one of the fundamental issues to be addressed in the upcoming ANPP meeting. [end recording]

New Regulations Govern Self-Employment Activities in Havana

PA1708175295 Havana Radio Rebelde Network in Spanish 1700 GMT 16 Aug 95

[From the "National Radio News" newscast]

[FBIS Translated Text] The Press Directorate of the Provincial Council of the People's Government Administration [Consejo Provincial de Administracion del Poder Popular] announced today approximately 102,617 requests to engage in entrepreneurial activities have been processed in Havana, and 63,969 have been approved. Our reporter [words indistinct].

[Begin unidentified reporter recording] During the meeting, new specific regulations were announced governing self-employment in Havana. These regulations void previous regulations for this city. The salient aspects of the new regulations include the ban on setting up businesses on the main avenues crossing municipalities and basic areas such as the entire sea wall, except in small parks [words indistinct] Salvador Allende, Neptuno, Montes, and G, L, 23d, Reina, and Prado Streets. This does not limit the self-employed worker who does home deliveries.

Another aspect of the regulations is that licenses will only be good in the municipalities that granted them. The new regulations will be published in full in Havana's TRIBUNA newspaper in an expanded edition. The adoption of Agreement No. 86 on the control of ads in Havana was announced. It bans ads improvised or otherwise without prior inspection and approval by the [word indistinct] Planning and Architectural Directorate and the Press Directorate of the Havana Administration Council. These offices will oversee the correct spelling and beauty of these ads, among other aspects. [end recording]

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Further on Regulations

PA1708175695 Havana PRENSA LATINA in Spanish 1440 GMT 17 Aug 95

[FBIS Translated Text] Havana, 17 Aug (PL) — The Havana City Government has issued new regulations to ensure greater discipline and efficiency in self-employed activities, a modality of employment authorized in 1993.

Current regulations ban this activity in state buildings and task the administrators of these entities with ensuring that these regulations are enforced in areas outside and adjacent to their buildings.

They noted that the so-called entrepreneurs will not be able to engage in their activities in areas near children's daycare centers, educational centers, funeral homes, health installations, hotels, military zones, and embassies, among other public places.

The exceptions to engaging in these activities in the aforementioned places, in order to promote their better development, will be authorized by the Municipal Administration Councils and their people's councils, which are part of local government organs.

In addition, self-employed workers may not set up their businesses in Havana's main avenues and will only operate in areas in which the license was granted, said the announcement published in government newspaper GRANMA.

Of the 102,617 permits requested in the Havana City Province, 63,969 have been granted, mostly for businesses dedicated to preparing and selling nonalcoholic beverages, as well as business messengers, artisans, barbers, and drivers for hire.

Minister Interviewed on Tourism, Education

PA1808035995 Mexico City LA JORNADA in Spanish 14 Aug 95

[Report on an interview with Education Minister Luis I. Gomez Gutierrez by Jose Zaldia; place, date not given; following received via Internet]

[FBIS Translated Text] *No one is indispensable, says Cuban Education Minister Luis I. Gomez Gutierrez, denying the persistent belief that the Cuban Revolution will disappear with Fidel Castro and that nothing moves in his country without the Cuban leader knowing about it. He added: "I assure you that he does not even appoint ministers or ambassadors." Far from this matter, Gomez Gutierrez asserts, "Fidel Castro has very few responsibilities to govern the country singlehandedly."*

In a long interview, this official, who is a chemical engineer by education "and a teacher by dedication," has broached the most important issues on the Cuban political agenda: Castro, the economy, the effects of tourism, education, Marxism, and religion.

[Zaldia] To what extent will it be possible for the Cuban Revolution to survive without Fidel Castro?

[Gomez] No one can deny Fidel Castro's historic merit of having united the Cubans who, historically, have one problem: the lack of unity. Jose Marti faced this problem and solved it in order to carry out the revolution and to obtain our independence. Afterward, all the forces that have acted since the North American intervention were geared toward separating the Cubans. Fidel started to work to unite the Cubans. Fidel has been able to design a strategy and to implement tactics for us to effectively fight imperialism at all times and to do so courageously and intelligently. This merit will always be his historic one. Furthermore, in the heat of the battle, Fidel has always had the obsession of not furthering a cult of personality. His obsession has always been to have a collective revolutionary directorate; thus, we have never considered having a presidential system.

[Zaldia] Nothing moves in Cuba without Fidel knowing about it, however, right?

[Gomez] I would say Fidel does not appoint ministers or the ambassadors in Cuba. The Council of State does that in Cuba, and parliament has to confirm the appointments. Fidel has very few responsibilities to govern singlehandedly. This point does not negate the fact, however, that Fidel has achieved extraordinary moral authority and that for many people, Fidel's opinion is of fundamental importance, because it is backed by his deeds and revolutionary practice. Fidel's obsession has been to exercise power collectively and to take into account all the generations.

The continuity of the revolutionary process is guaranteed precisely by the generational succession system. We do not do what socialist countries used to do with their leaders in Cuba. We have acquired a political awareness and culture allowing us to identify the road we must take to confront imperialism, to preserve our national identity, to preserve our independence and sovereignty, and to defend our social achievements.

[Zaldia] Meaning no one, not even Fidel Castro, is indispensable?

[Gomez] We have always worked with this principle in mind in Cuba, and he has been the main one to promote it.

On Tourism and Its Effects

[Zaldia] Are you concerned with the influence of foreign tourism in several social spheres?

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[Gomez] Tourism undoubtedly generates problems, and we today, more than ever before, are very aware of this point; thus, Cuba did not use tourism to further its economic development during the past 30 years. All the hotels built during that period were for the use of nationals. There was a small exchange of tourists from socialist countries, but this was not to receive foreign exchange. The economic situation has forced us to use tourism as a source of financing. Our first mission is to explain to the people why they cannot go to those centers that are used to obtain foreign exchange.

[Gomez] A very health conscious type of tourism arrives in Cuba, because we do not have any gambling, and there will never be any. We do not have any drugs, and there will never be any. We do not even have legalized prostitution, even though the rise in tourism has encouraged some cases of prostitution, which is unrelated to the type we eliminated from Cuba 35 years ago. The prostitution we have now is borne from deprivation and the need to save the life of a relative. It bothers and annoys us to have that type of situation, even if it is in minor proportion and in specific and well-located sites. We intend to give priority status to all preventive efforts undertaken through our school system.

Cuba is experiencing a severe economic problem, and no one can deny or conceal the shortage of goods and that this scarcity has drastic proportions. Despite it all, no one in Cuba has to turn to prostitution so a child may have access to medical attention at a hospital, or receive a liter of milk daily, or receive an education, or have toys with which to play. Those in Cuba practicing prostitution today do so because they are seeking an easy and lavish lifestyle, surrounded by material things the likes for which people in other nations would never consider prostituting themselves. Because of the scarcity of so many things in Cuba, some people, maybe due to their lack of moral conviction and ethical principles, are easy prey to this type of temptation, but for merely shallow reasons.

The Crisis, Marxism, and Education

[Zaldia] What impact has the fall of the Eastern European nations had on Cuba's education system?

[Gomez] Fortunately, we had already built all the schools we needed when the Socialist Bloc fell. The country's school network totals 12,500 schools. It is a very strong academic network, and we also have a genuine army of teachers. In Cuba, we reached the point where we had 300,000 teachers, but that quantity of teachers is not needed at this time because of the number of enrollment. Nevertheless, we still have nearly 270,000 teachers. We had already built laboratories and obtained the basic equipment, including that needed for a specialized infrastructure of 430 specialized schools for the deaf, blind, disabled as well as retarded children. All these facilities were in place and operating when the fall occurred. We must acknowledge that there is an amount of school supplies we must replace or either manufacture ourselves each year. We need to purchase notebooks amid a severe shortage of paper, and the price of paper is nearly $1,000 per ton (of 60 grams). [sentence as published] Replacing pencils has also become a problem for us every year, because we do not make graphite. We should bear in mind that there are practically 2,200,000 students in Cuba who receive free education. Not only do we not charge tuition but we also provide school materials free of cost.

Of that total amount, we have nearly 280,000 students who are on full scholarship and live at their respective colleges. We provide them with three meals each day and uniforms, all free of cost. We also have 600,000 students who live and spend most of their time at and eat at their respective schools. The sale of school uniforms to foreign students is subsidized. A uniform costs somewhere between $5 and $6, and the complete outfit costs a household nearly six Cuban pesos, and there is no turning to the black market (the official rate between the peso and the U.S. dollar is one for one, while it is possible to get 35 pesos for each dollar on the streets. One year ago the exchange rate surpassed 100 pesos per U.S. dollar)

Now, during the past five years we have been able to maintain all that we were able to accomplish in the education system for two specific reasons: The first is the government's political decision not to close one single school or to dismiss one single teacher, or that one single child should remain without an education. This is all part of our official policy that no one in Cuba should feel unprotected. Protection to us means not only having a roof over one's head and a basket of basic staples but also education, health, the right to participate in sports, employment, and culture.

We must also add to this willingness by the government the will of all teachers. In Cuba, we have been able to reach a general consensus, but that consensus among teachers is to work toward upgrading the quality of education. The purchasing power of teachers' wages has been reduced drastically today, but they understand perfectly well that the reason behind these economic problems can be found outside Cuba, made more severe by the strengthening of the blockade and the fall of socialism.

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Roundup of Politburo Members' Activities

FL1608130695

[FBIS Editorial Report] The following is a compilation of reports on the activities of Cuban Communist Party Central Committee Politburo members monitored through 15 August.

Alfredo Jordan has congratulated workers at a Granma Province construction enterprise on their work. (Havana Radio Rebelde Network in Spanish 2300 GMT 8 Aug 95)

Alfredo Jordan has presided over a meeting of tobacco growers in Maisi, during which working brigades pledged to deliver over 1,000,000 tons of tobacco during the current campaign. (Havana Tele Rebelde and Cuba Vision Networks in Spanish 2300 GMT 11 Aug 95)

Alfredo Jordan has presided over the main ceremony marking the start of the nationwide coffee harvest in Santiago de Cuba Province. Approximately 200,000 workers will participate in the harvest, with approximately 80 percent of the yield planned for export. (Havana Radio Rebelde Network in Spanish 2300 GMT 14 Aug 95)

Jose Ramon Machado Ventura has visited Camaguey Province's roofing tile factory. (Havana Radio Progreso Network in Spanish 1100 GMT 9 Aug 95)

Yadira Garcia has attended a meeting on food production and distribution in Matanzas. Garcia stressed the need to establish rigorous food distribution controls. It was noted during the meeting that 1.6 million quintals of tubers and vegetables will be consumed in Matanzas this year. The province's potato harvest surpassed 900,000 quintals. (Havana Radio Rebelde Network in Spanish 2300 GMT 14 Aug 95)

Roundup of Economic Developments

FL1608130495

[FBIS Editorial Report] The following is a compilation of reports on Cuban economic developments monitored through 15 August.

There are over 6,400 self-employed workers in Santa Clara Municipality, Villa Clara Province, up from the 800 reported in the municipality in 1990. (Havana Radio Reloj Network in Spanish 1408 GMT 7 Aug 95)

Over 2,600 Las Tunas agricultural workers — 86 percent of the province's agricultural work force — have been reassigned to tasks directly related to production in an effort to streamline the work force and increase economic efficiency. (Havana Radio Reloj Network in Spanish 1955 GMT 7 Aug 95)

Granma Province's winter sugarcane planting campaign calls for soil preparation of 450 caballerias in August. A total of 76 caballerias of sugarcane was planted in July, falling short of the projected 540 caballerias. The La De Majagua, Roberto Ramirez, and Juan Manuel Marques sugarcane complexes encountered the most difficulties. A total of 2,300 caballerias is scheduled to be weeded in August. (Havana Radio Reloj Network in Spanish 1932 GMT 14 Aug 95)

The Isle of Youth has lost over 50 percent of its melon crop to the heavy rains of July and August. A total of 37,633 quintals of melons has been harvested, of which 33,366 quintals have been sent to Havana City. (Havana Radio Rebelde Network in Spanish 2300 GMT 14 Aug 95)

The Sugar Industry Ministry has constructed approximately 300 homes in Ciego de Avila Province this year. This equals the number of homes constructed during all of 1994. The Ministry has also repaired over 1,000 homes for sugarcane harvest workers since January. (Havana Radio Rebelde Network in Spanish 2300 GMT 14 Aug 95)

Correction to Workers Needed for Sugar Harvest

PA1508181795

The following correction pertains to the item headlined "Workers Needed To Boost Sugar Production," which appears in 15 August Latin America DAILY REPORT, page 3:

Column 1, paragraph 6, make sourceline read ...Havana PRENSA LATINA in Spanish 1407 GMT 14 Aug 95... (correcting source)

Haiti

Neptune Denies Rumors of Disagreement With Government

PA1708224995 Port-au-Prince Signal FM Radio in French 1030 GMT 17 Aug 95

[From "The Waking Up Newscast"]

[FBIS Translated Excerpt] The spokesman for the Haitian presidency, for his part, sees things quite differently. Mr. Yvon Neptune says that lack of political maturity explains the low participation rate of the people in the complementary elections of last 13 August.

Yvon Neptune took the opportunity to deny the rumors according to which the government is allegedly opposed to the presidency, specifically, on the problem of privatization of the state-sponsored firms. [passage omitted]

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CEP To Publish Election Results This Weekend

PA1808002695 Port-au-Prince Signal FM Radio in French 1030 GMT 17 Aug 95

[From "The Waking Up Newscast"]

[FBIS Translated Text] The first point in the news is the publication of the results of the complementary elections of last Sunday this weekend. The spokesman for the electoral institution has announced for the end of this week the proclamation of the results of the complementary elections of last Sunday.

Gerin Alexandre, who refused to make any comments concerning the parties leading this ballot so far, has announced for next Monday the preparations for the second round of the elections. Over four out of the eight departments have already forwarded the results of these complementary elections to the head office, according to the explanations of Gerin Alexandre whom you are going to listen to now.

[Begin Alexandre recording, in Creole] Several departments have already given the results to the Provisional Electoral Council [CEP]. We think we already have (?the results for) at least four departments. Work continues so as to see if we can respect the date (?previously set) for the publication of the results of these partial elections. We wish that it can be done not later than Friday because — as you know — there are several steps in the publication of the results. [passage omitted] [end recording]

This was the spokesman for the CEP, Gerin Alexandre at the microphone of Signal.

Delpe: FNCD Decides To Bring CEP Members Before Courts

PA1808000795 Port-au-Prince Signal FM Radio in French 1030 GMT 17 Aug 95

[From "The Waking Up Newscast"]

[FBIS Translated Excerpt] The National Front for Change and Democracy [FNCD] is about to institute legal proceedings against the Provisional Electoral Council [CEP].

Turneb Delpe, one of the spokesmen for the FNCD, announced that FNCD has decided to bring the members of the electoral institution before the courts for having used its emblem in a reproachable manner.

According to Former Senator Delpe, the complementary elections of last Sunday attest to the unpopularity of the members of the current CEP. Turneb Delpe takes it out on the Lavalas Political Organization as well.

[Begin Delpe recording, in French] These elections will be an occasion for us to lay bare the various — what we can call — powers within the country, for instance, the judicial power as I believe that to remain consistent with ourselves, the parties that asked that their emblems be not used (will) have to bring the members of this CEP before the courts since their emblems are being used, since their emblems have been used against their will.

Secondly, as for me personally, you asked: Will I go to the Parliament if I succeed? My answer is clear. I believe that if somebody is following my behavior as a political official through all the struggles that have been waged in this country since overthrowing the dictatorship of the Duvaliers until now, he will see that I have a correct behavior.

I always respect my words. I always remain consistent with my position. As we said in the press communique on FNCD's position, we clearly said that even though we passed, we would contest these elections because in our opinion these elections are a shame for the democratic sector. [passage omitted]

Conacom Secretary on Elections, Bajeaux Refusal To Quit

PA1708232395 Port-au-Prince Signal FM Radio in French 1030 GMT 17 Aug 95

[From "The Waking Up Newscast"]

[FBIS Translated Text] The elections of last Sunday proved to be a failure for the Haitian Government, according to National Congress of Democratic Movements [Conacom] Secretary General Victor Benoit. They showed that the people respected the watchword of boycott launched by most political organizations in the country.

Mr. Victor Benoit who was speaking during an interview given to Signal FM took the opportunity to explain the reasons for the resignation [as heard] of Mr. Jean-Claude Bajeux from the Aristide-Michel government.

[Begin Benoit recording in progress, in French] ...that is to say, about one month ago, the Conacom candidates met with Mr. Bajeux, and asked him to resign. They even did more than that, he wrote a letter which he sent to the secretariat [of the party] and (?in which) they asked Mr. Bajeux to resign.

At first, Mr. Bajeux asked that a time for thought be given to him, but finally, he straightforwardly told us during a meeting that he will not resign.

This has created a problem within the party. However, this is something we want to settle serenely, in accordance with the way we work. [end recording]

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Zedillo on Nationalism, Xenophobia, Inequality, ACS

PA1808015895 Mexico City REFORMA in Spanish 16 Aug 95

[Report by Miguel Perez — received via Internet]

[FBIS Translated Text] A few hours before starting his fourth international tour, President Zedillo yesterday condemned nationalism which aims to exclude other nations, xenophobia, and economic inequality among nations.

Zedillo said that as we approach the next century, the world is debating opposite tendencies: on the one hand is globalization and the large processes toward integration; on the other hand, the separatist movements and the open rivalry between fanatic groups, and between ethnic groups.

At the closing ceremony of the Masters Degree in Diplomatic Studies of the 13th Generation to Enter the Mexican Foreign Service, the president said that there are international movements which reject the values of different cultures, make democratic life difficult, and thwart cooperation between states.

"Nationalism, which aims to exclude other nations, xenophobia, the massive movement of political refugees, the attempts to commit genocide, and the substantial economic inequality between nations, are deplorable signs of our times.

"Other phenomena have become globalized. The effects of political, economic, and social issues which were previously only local or regional, have now spread worldwide," Zedillo said.

Zedillo added that phenomena such as poverty, overpopulation, migration, the spread of diseases, the destruction of the environment, drug trafficking, and human rights violations are now experienced on a worldwide level.

In the presence of Foreign Relations Secretary Jose Angel Gurria, President Zedillo said that perhaps the most harmful of the distortions we are experiencing is the profound inequality which exists in the level of development of different countries.

Zedillo gave as an example: the seven most powerful economies in the world accumulate two-thirds of the world's production, while three-fourths of all humanity — approximately 4 billion people — share the remaining one-third of the world's production.

Previously, Zedillo had said that for historical reasons, and vocation and conviction, Mexico is a peaceful nation because it has never tried to base its strength on aggression.

International Tour

President Zedillo will leave today at 1500 hours to the island of Trinidad and Tobago where tomorrow he will attend the first formal meeting of the Associations of Caribbean States [ACS].

Despite the fact that the ACS was founded in July last year, not until now has it been able to formalize its first summit meeting after 17 of the original 25 nations which founded it formally ratified their adherence to it.

Cuban President Fidel Castro; Venezuelan President Rafael Caldera; Nicaraguan President Violeta Chamorro; and Salvadoran President Armando Calderon Sol, among others, will attend the meeting with President Zedillo.

This will be Zedillo's fourth international tour. The first was barely eight days after his presidential inauguration when he traveled to Miami, Florida, USA, to participate in the Summit of the Americas.

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Nicaragua

Godoy on Telcor Privatization

95CA0340A Managua LA TRIBUNA in Spanish 4 Aug 95 p 2A

[Article by Xiomara Chamorro]

[FBIS Translated Text] Agreeing with the telecommunications and electricity unions and the Association of Confiscated Property Owners, Vice President Virgilio Godoy opposes the sale of Telcor [Nicaraguan Telecommunications and Postal Services], which he considers an unjustifiable mistake.

"Ethically, this transfer of state resources to the private sector is not justified," said Godoy.

He said that his party does not support this privatization, which would place great national resources in the hands of "wealthy property owners."

"Telcor will be used to compensate wealthy owners. We do not support privatization for such purposes, which would turn over the nation's accumulated resources to satisfy some unscrupulous persons' desire for ownership," he stated.

Godoy's position offers tacit support to the Telcor workers, who are planning to begin a national strike within the next few days.

Numerous radio and even television spots have been announcing a strike by the energy and telecommunications workers, unless the government agrees to discuss the decision to privatize the company with them.

Mario Malespin, the head of the Telcor union, told LA TRIBUNA that they will send the government a letter explaining the need for a joint meeting before a decision is made about the company.

"Telcor's privatization will be detrimental to minorities," said the union leader.

The confiscated property owners' group also expressed unhappiness with this response by the Executive to the property problem.

Ariel Solorzano, president of the Association of Confiscated Property Owners, said that the total proceeds from Telcor's sale will not cover the government's debt to his sector. For the government, a large part of whose plans are based on privatizing telecommunications as an answer for the property problem, it will be difficult to reconcile the adverse position of the confiscated property owners as potential beneficiaries and that of the workers who are unwilling to accept what they are being offered.

When the independent liberals' refusal to accept that plan is added, it can be foreseen that the debate on the issue which is approaching in the National Assembly will be heated and torn by major conflicts.

If the ENEL [Nicaraguan Institute of Energy] and Telcor workers actually call a national strike, this is only one of the factors that will heat up the climate surrounding discussions of the property laws.

Rural Human Rights Networks Discussed

95CA0340B Managua LA TRIBUNA in Spanish 7 Aug 95 p 4A

[Article by Xiomara Maria Chamorro]

[FBIS Translated Text] The campesino human rights networks operating in the hardest hit departments will be the foundation supporting the work of the Human Rights Office, according to the plan discussed by the CIAV [expansion not given]-OAS [Organization of American States] and the National Assembly, said representatives of these institutions.

A total of 60 networks representing thousands of campesinos seeking solutions for the conflicts will be connected with the Human Rights Office, considered by the CIAV-OAS and the Assembly the appropriate forum for achieving definitive democratization in Nicaragua.

The announcement was made this Saturday in Quilali before local representatives of these networks, which arose from the population's need for survival. They have democratically elected their representatives in order to resolve the conflict, to ensure respect for human rights, and to promote these rights.

Churches of various denominations have emerged as the institutions with the greatest credibility. They might act as representative forums in each sector.

The definitive profile of these networks after they are attached to the Human Rights Office will depend on the proposals made by each sector, taking into consideration the fragile level of campesino security, as the campesinos maintain a shaky relationship of survival with armed groups in areas where no state institutions are present.

Sergio Caramagna, the CIAV-OAS representative in Nicaragua, said this initiative is part of the process of transferring functions from that organization to civil society, which will have to find within itself suitable forums and mechanisms for resolving these conflicts.

Caramagna said the main cause of these conflicts is basically the fact that over 150,000 people have not been reintegrated into civilian life. These are people who have

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been repatriated, people demobilized from the Army and the Resistance, and people displaced by the war.

"Today we are here to learn your diagnosis of the situation which you have to face," Caramagna told the campesino leaders.

The human rights issues with which these networks are now dealing fundamentally include the marginalization in which campesino communities live, the isolation which keeps them off the national agenda.

"You and the Human Rights Office are the nucleus of this transfer," said Caramagna in the name of the CIAV-OAS, which is now preparing to leave Nicaragua.

The OAS official reported that the CIAV has signed an agreement with the CSE [Supreme Electoral Council] on the issue of documentation to provide many campesinos with the birth certificates they need to obtain identification documents.

He also reported that an agreement has been signed with the INRA [National Institute for Agrarian Reform] to help resolve the problem of land titles, as that is one of the issues at the heart of the conflicts.

One of the most important projects in the Quilali area is the construction by the people of 450 housing units on six ranches now being worked by people demobilized in 3-80 under the Caulatu accords.

In Los Manchones near Zungano, the French government is financing the CIAV housing project. In general terms, this organization is investing about $450,000 in literacy plans, self-sufficiency production projects, and training programs.

The CIAV believes that projects to reintegrate the demobilized into civilian life are pacification tools that will strengthen human rights from an integral perspective, an opinion fully shared by the campesinos in these networks.

In the meeting with campesino leaders, the CIAV delegation was accompanied by a representative of the National Assembly's Human Rights Commission, Deputy Carlos Gallo, who explained the features of the bill creating the Human Rights Office to the campesinos.

"The Human Rights Office is an institution created because of the constitutional reforms. Its fundamental objective is to give the citizen the tools to become the principal protector of human rights," said Gallo.

The campesinos are fairly receptive to that institution, despite their doubts about the proposal that the Human Rights Office should be autonomous, completely independent of any state power.

Gallo said he has no interest in being appointed to that Office, and even said he would refuse such a position.

Gallo invited the campesinos to become a part of that institution, saying they should unite the efforts of the Human Rights Office in Managua and the networks in the mountains.

Situation of Cooperatives Examined

95CA0340C Managua LA TRIBUNA in Spanish 6 Aug 95 p 5A

[Article by Heriberto Mercado]

[FBIS Translated Text] Motivated more by economic factors than by cooperative principles, thousands of people in a wide variety of activities are now swelling the ranks of Nicaragua's cooperatives.

Not without reason, the movement's leaders say that this type of socioeconomic organization and ownership is the trend of the future, despite the nation's present difficult economic situation.

Antonio Chavez, president of Conapi [National Chamber of Small and Midsized Industry], says: "Cooperative enterprise has certainly demonstrated that it can be effective, though in recent years it has been severely hurt by the government's economic policies."

The leaders of the CFA [Carlos Fonseca Amador] taxi cooperative, one of the oldest in the transportation sector, agree.

Founded by 30 members in October 1974, and then named the Savings and Credit Cooperative, the CFA now has about 220 members.

Jeferson Cajina, director of this labor collective, says: "In the end, the government has shown no interest in resolving the cooperatives' problems, despite its public statements."

Socorro Munoz, the first female member of a taxi cooperative, believes that "the cooperative's situation is depressing. You feel that your vehicle is deteriorating and cannot be replaced. We have people (in the cooperative) who have been left without a home and without a car because they cannot meet the bank's requirements."

Worn Down and Undercapitalized

In Chavez's opinion, the cooperative sector—one of the most active in Conapi—has been subjected to an intense wearing down process on the part of the government.

He said that in 1987 the organization had about 120 labor collectives, while at the present time it barely has 25.

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Why? According to Chavez, a combination of factors is responsible.

"On one hand, the government politicians tend not to support large sectors of the population, but the cooperative worker also bears a stigma that keeps him from approaching banks, as it is thought that is a poor risk and a poor manager."

And the list of negatives continues. About five years ago Conapi had 12 leather and footwear cooperatives registered in Managua, and now there is only one. The same thing has happened with clothing collectives, which dwindled from 35 in 1987 to five last year.

But, says Fanor Tellez, director of Digecop [General Directorate of Cooperatives] of the Ministry of Labor [Mitrab], things have not been so bad.

During the five years of the Chamorro government—according to Mitrab statistics—3,621 cooperatives have been formed. Under the Sandinist government a little more than 4,000 were organized, most of them created with political and military intentions.

That "package" includes agricultural, service, savings and loan collectives, etc.

"Practically speaking, cooperatives are involved in all of the nation's economic activities: in commerce, services, industry, fishing, agriculture and livestock, and even exports," he added.

He said that despite Digecop's efforts to promote a variety of forms of cooperative organization, some problems still persist. One of them, and one of the most significant, is the lack of training for cooperative members.

"Most of the internal disputes take place because of ignorance of the law," he said, quite sure of the facts.

"At times we see," he adds, "that cooperative members do not know or follow their own bylaws. This is because cooperative leaders apply the law arbitrarily."

How Is a Cooperative Created?

Founding a cooperative is relatively easy. Only ten members are needed, in addition to a charter which states the objectives and the express intention of the members, the bylaws, and a small feasibility study.

According to some cooperative members in the transportation sector, "Members are trying to get more social benefits."

The Carlos Fonseca cooperative, for example, offers personal loans, personal insurance, death benefits, an eyeglasses and surgery program, and an attractive retirement plan.

"The majority of the members—not to say all of them—look for cooperatives not as a matter of principle, but because of the benefits they get," says Guillermo Rocha, director of the Carlos Fonseca cooperative.

The situation varies in each cooperative, though, for in the case of services, members are offered very few benefits.

Tellez, in discussing the complex problem of labor collectives, says that Digecop is organized in three different departments: one for service and industry cooperatives; one for agricultural collectives; and—to better manage the sector—the National Records Division.

When asked whether Digecop cancels the legal status of cooperatives because of problems of a political nature, Tellez answered categorically: "Our philosophy is one of promotion. Moreover, we have never canceled any legal status."

In the case of the Coprovol [Professional Drivers Cooperative], which was recently sanctioned, Tellez said that Article 22 of the Cooperatives Law stipulates that a cooperative's legal status may be canceled if there is ruinous competition.

That is true for most of the transportation cooperatives, whose numbers have multiplied during the last five years.

But according to the CFA directors, the government is not interested in solving the problem of illegal cooperatives, which have proliferated in the last two years.

Cooperative leaders in other sectors are also complaining. In the opinion of Tellez, the agricultural cooperatives' problems are different, as the majority of them concern property issues, financing, and the tax burden.

Taxes, Another Headache

Speaking of taxes, Tellez said that in 1991 Digecop supported a cooperatives bill, which failed because of disagreements about the article relating to tax exemptions.

"During one of the first transportation strikes, the leaders of the Parrales Vallejos cooperative widened the differences on this issue and discussions on the bill were paralyzed," he noted.

Tellez complained that the Sandinist bench introduced a bill in the National Assembly, but did not invite the Mitrab officials to discuss the issue.

At the present time, Digecop is promoting broad discussions of this bill since—according to this official—a

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law that will unify the regulations now dispersed in two different legal provisions is needed. These laws are: the General Cooperatives Law and the Agricultural and Industrial Cooperatives Law, both in effect since 1980.

Although he is optimistic about the results of their work, many sectors in the cooperative movement—like Conapi—believe that the future is not very promising for the movement, as in addition to the legal problem they also face economic difficulties.

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Argentina

Military Chief Cautions Against Budget Cut

PY1708230995 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1621 GMT 17 Aug 95

[FBIS Translated Text] Buenos Aires, 17 Aug (NA) — General Mario Candido Diaz, chief of the Joint Staff, today maintained that the budget cut will not harm the operativeness of the Armed Forces, "which are prepared and ready for the defense of the country."

Despite this fact, he indicated that the cut could endanger the activities of those who are enlisted in the voluntary military service.

"This would not affect the voluntary military service as a whole, but it would affect the training planned for those who have been enlisted as professionals," he emphasized.

It is for this reason that the chief of the joint staff pointed out that if the 31 million peso budget cut is implemented then "the possibility of continuing with the training planned for the year will be affected."

Moreover, Candido Diaz said that "the cuts that have been made will not endanger the operativeness of the Armed Forces for carrying out their mission."

Although he made it clear that the Armed Forces will have to "optimize the resources they have left in order to carry out the missions," Candido Diaz said that "this in no way endangers the operational capability to carry out the plans or strategic actions that have been scheduled for the Armed Forces."

"We are in a difficult situation. We need to maintain the current budget in order to obtain better results," he admitted in remarks to Radio America this morning.

On defending his position, the military chief explained that "we have a plan or a budget and we have said that in order to carry out all our obligations during the course of the year we will need this, this, and that."

He indicated that if the Armed Forces allowed a budget "which was drafted conscientiously and accepted without any complaints" to be cut, then they would be acknowledging "in advance that the measures taken were not correct."

"If this 31 million peso cut is implemented we will run into trouble," he said.

Candido Diaz admitted that "the use of state property, such as the renting of officers clubs, is not normal, but he criticized the media's attitude toward this matter.

"At times matters are only observed partially and then a generalization is made. The headlines of the newspapers are the product of the extravagant imagination of some journalists; they write up events and give the public a different view," he said.

The officer stated that "it is not just now" that military installations are being used for "some party or intimate celebration, which are not just common dances," stressing that "the law stipulates this."

"Self-financing is impossible because we would have to use a lot of personnel to carry out those activities," he said.

Current Economic, Political Situations Viewed

PY1708155495 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1719 GMT 16 Aug 95

[Special article for NOTICIAS ARGENTINAS by Daniel Naszewski]

[FBIS Translated Text] Buenos Aires, 16 Aug — President Carlos Menem has adopted a very clear position regarding unemployment: To enhance the economic policy and to believe the best way to genuinely overcome this serious problem is through economic growth. Obviously this will take some time and many analysts are asking if the social tension will not generate very strong pressure on the economic model and thus cause it to fail. It is a fact that the sectors that for the past few weeks have explicitly promoted what has been called a Peronization of the economy continue in their offensive.

Some say the current problems are really a precursor of the 1999 elections. Others say there is an ever-increasing questioning of the economic model, although this must be an error in evaluation if 14 May 1995 is considered, because on that date 50 percent of the population voted for Menem and for the model. Nevertheless, all this political "noise" is not helping the economy and it comes at a crucial time for the government because it must send calm and stable signals to businessmen, potential investors, and simple consumers, who are showing special caution when buying, doubtful that tomorrow this atmosphere could be worse.

Curiously enough, during the past few weeks there have been events that clearly show a recovery is taking place. The return to Argentina of the private international capital market with a yield of 1 billion German marks is one of those indications which, although the common man cannot perceive its relative importance, is a clear factor that there is confidence abroad.

For many specialists it marked the inflection point from which it can be considered that the local impact of the Mexican crisis has been overcome. There must be something to this because it has also been confirmed

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over the past few days that of the eight billion pesos that fled from the banks from the end of 1994 to the worst moment of the crisis — March, April — some five billion pesos have returned.

With this data, the consultants are predicting that in October or November (in other words, before the end of the year) the money that fled will have all returned, which could mean the end of the ferocious external crisis that Argentina experienced in this harsh and conflictive 1995. Although this is not the only encouraging detail, foreign analysts are observing it with greater objectivity.

The strong reversal of the negative factor of trade balance that occurred during the past few months is being observed with a lot of interest because it has been caused more by a strong increase in exports (an increase that surpasses 40 percent since the beginning of the year) than a reduction in imports, which was provoked by the fall in the economic activity. It has been predicted that by the end of the year there will be a trade surplus of some $2 billion, which is very impressive considering Argentina did not devalue its currency to achieve this positive tendency. The increased exports are being achieved within the context of an export and import opening, which is the only possible and desirable way.

With this data come good technical motives to expect that productive activities and added demand (internal consumption plus exports) will slowly and gradually recover, although with very important changes in its framework as a consequence of the profound changes taking place in the productive and trade structures.

The problem is that the uncertainty being generated by excessive disagreements within the government can diminish the recovery and even suffocate it: First, because those who have to make economic or financial decisions — regarding investments, purchases, exports, imports, or getting into debt — are being very cautious because of important changes in the rules which may take place (a "tradition" in Argentina's past); second, because if the market is not reactivated, the internal market will not be sufficiently attractive to stimulate investment, and; finally, fiscal income and evasion in Argentina seem to depend on the level of activities.

Analysts believe that for Peronist politicians, who today are playing internal games while the opposition does not exist, the game could boomerang against them: If the economy does not recover unemployment will continue high, growth will not return, and stability will be endangered. Within this context, today's nearly non-existent opposition will have more space. Continuing to fight among themselves is a bad business for the Peronists.

Accord With Syria Envisions Sale of Nuclear Reactor

PY1808034495 Buenos Aires TELAM in Spanish 0000 GMT 18 Aug 95

[FBIS Translated Text] Buenos Aires, 17 Aug (TELAM) — Argentina is willing to supply radioactive isotopes for medicinal purposes to Syria. In addition, the two countries established a two-year period to negotiate the sale of a five-megawatt nuclear reactor to Damascus.

The agreement has been established in a letter of understanding signed today by Foreign Relations Under Secretary Guillermo Gonzalez and Ibrahim Othman, head of the Syrian Atomic Energy Directorate at the Foreign Ministry.

The letter of understanding says that these talks have been held within the framework of the technological and scientific cooperation agreement signed between Argentina and Syria in 1989, which did not include nuclear issues.

The letter of understanding says that "Argentina is willing to explore the possibility of a cooperation program aimed at supplying radioisotopes, the preparation of a laboratory capable of developing a plan for the production of radioisotopes, the construction of a laboratory, and the training of personnel."

The Syrian delegation, meanwhile, confirmed its "interest in purchasing a five-megawatt reactor that could be transformed into a 10-megawatt reactor" for the production of diverse substances "for medicinal purposes."

The document says that "both delegations agreed to begin the process of analyzing the technical and financial conditions and the requirements established by the legislation of the two countries on nuclear cooperation with peaceful purposes."

The two countries "agreed to begin an immediate cooperation process," the first step of which is the present Argentine offer, and to establish "a two—year period beginning with the signing of this agreement" to evaluate developments in order to advance to more important agreements.

The document says that the Argentine cooperation encompasses the following fields:

— capsuling of Cobalt 60 for medical and industrial applications.

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— Laboratory production of Technetium-99 from imported Molybdenum-99.

— Cooperation in research on food preservation and the sterilization of medical materials.

— Treatment of low and medium radioactive waste.

— Training of personnel in the topics mentioned above, on nuclear security, and on radioactivity protection.

Latvian Consul on Establishment of Russian Mafia

PY1708130395 Buenos Aires CLARIN in Spanish 5 Aug 95 pp 36, 37

[Article by Hector Gambini]

[FBIS Translated Text] Adolfo Bruziks, the honorary Latvian consul in Buenos Aires, has told CLARIN that he informed the Eastern Europe Section of the Foreign Ministry that "the Russian mafia has established itself and is organizing itself in Argentina."

Bruziks said this announcement is based on information available to his consulate. Bruziks made the announcement four days before publication of a CLARIN investigation on the entry of these mafiosi. CLARIN's investigation was published on 31 July.

CLARIN reported on the entry of one of the most powerful mafia organizations to have surfaced since the fall of the Soviet State; the Chechen mafia. CLARIN reported that Chechen criminals enter on passports of other nations, for example, Belarussia, Armenia, or Latvia, which they can easily get on the Moscow black market.

Interior Ministry sources admit that the entry of Chechen mafiosi is a very serious issue, and note that investigations continue because these immigrants from former Soviet Union republics changed their nationalities.

The Latvian consul emphasized another aspect of this problem: He said: "One must remember the crews of stranded ships in Buenos Aires, with people from all Russian nationalities. There is another stranded ship in Bahia Blanca and its sailors disembark and enter the country without any questions."

These crew members reportedly are "cheap manpower," who can easily be recruited by the mafia.

Migrations Director Hugo Franco announced that a bid would be called to computerize 200 border checkpoints as a way of improving control on the people entering and leaving our country.

Russian community members have said criminals choose Argentina because "they enter easily." Nevertheless, these criminals all want to enter the United States as their final destination. Russian community sources emphasized: "They travel from Moscow to Buenos Aires. They then go to Venezuela and Mexico, and then try to enter the United States."

In a special article published on 30 July, CLARIN reported on a specific police report on the mafia. In exchange for "protection," a Chechen identified as Saib asked the owners of a Russian bar in Recoleta District for $20,000. This incident was reported and is being investigated by Criminal Judge Alberto Seijas and by the 19th Police Precinct. The police now guard the restaurant round the clock.

Larissa Sologoub, 29, one of the owners of the Russian bar in Recoleta District, noted that the Chechen told her: "This is it. We are not kidding anymore. We will blow you all up."

Other members of the Russian community in Buenos Aires, who specifically asked to keep their names secret, pointed out that the mafia "launders" money in our country and manages five hotels in Paraguay.

The issue involving the Russian mafia money laundering in neighboring countries was discussed at an international forum on tax issues, sponsored by the General Directorate of Taxation in January.

Bolivia

Country To Start Importing Through Ilo, Peru

95P20972ALa Paz PRESENCIA in Spanish 23 Jul 95 p 23

[FBIS Translated Text] Beginning in August, Bolivia will reroute its cargo from the Chilean port of Arica to the Peruvian port of Ilo. Bolivia used to import through Peruvian ports 45 years ago in an effort to reduce importation costs.

Yesterday, Miguel Avila, the director of the AADAA [Autonomous Association of Customs Warehouses), told PRESENCIA that today he will sign a contract with AASANA (Auxiliary Air Navigation Services Administration) to import equipment, materials, and machinery for airports throughout the country.

During the next five months, Bolivia will import a total of 120,000 tons of merchandise from overseas. These products regularly arrived at Chilean ports and then were sent to Bolivia; now their routes will start from their country of origin, arrive at the Peruvian port of Ilo, and then proceed by road to Bolivia.

Avila explained that in the last three years since the "Mariscal Santa Cruz" bilateral agreement with Peru

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was signed, 4,000 tons have been imported through Ilo. On the other hand, on the Chilean side, Bolivia ships 500,000 tons of products via the ports of Antofagasta and Arica.

Avila mentioned that, in 1992, his country received concessions to build a Free Zone and a Tourist Zone in the port of Ilo, and that, according to the agreement, the infrastructure projects should now be finished.

Avila added that he has information that Peru had finished some projects, and that the others are almost completed. He gave as an example the highway along the littoral built between Ilo, Tanca and Arica that will connect with Tambo Quemado, Patacamaya, and La Paz, Bolivia. Another highway, which is to become the principal asphalted road between Peru and Bolivia, is almost finished. It will start in Ilo and pass through Quepalca, Mazo Cruz, and Desaguadero.

He said Bolivia has started work on the Free Zone and the Tourist Complex only; the last part of the El Alto-Desaguadero road will take time to finish. When the asphalted roads in both countries are finished, the distance between Arica and La Paz will be shortened by 100 km.

Joint Drug Enforcement Effort With Uruguay Urged

PY1808035895 Cochabamba LOS TIEMPOS in Spanish 1 Aug 95 p A2

[FBIS Translated Excerpt] La Paz, 31 Jul (LOS TIEMPOS) — The Bolivian and Uruguayan governments called today for shared responsibility in drug enforcement during the opening of the mixed meetings on drug trafficking, money laundering, and drug prevention and interdiction that started today in this city and will end tomorrow.

The narcotics officials of the two countries pointed out that drug enforcement "should get the highest attention from all countries involved in this issue." They also demanded from the international community "greater economic support to face the problem with efficiency and intelligence."

Bolivian National Defense Secretary Victor Hugo Canelas, in a brief speech opening the meeting, said that our country "needs international aid because we consider it to be vital." [passage omitted]

Alberto Scavarelli, secretary of the Council for the Prevention of Illegal Drug Trafficking and Drug Addiction, spoke on behalf of the Uruguayan Government. He said drug enforcement must be discussed jointly and never unilaterally, based "on sociological and economic studies made in this regard." [passage omitted]

Scavarelli announced that his country is willing to cooperate with Bolivia on drug enforcement in accordance with its possibilities. In this regard, he mentioned the Uruguayan Government's intention to strengthen its links with Bolivia in the field of drug prevention and interdiction, administration of goods seized from drug trafficking, and control over precursors and money laundering.

Official Admits Existence of New Coca Plantations

PY1808010595 Cochabamba LOS TIEMPOS in Spanish 28 Jul 95 pp A1, A8

[FBIS Translated Text] Government Minister Carlos Sanchez Berzain asserted that there are approximately 1,000 hectares of new coca plantations in the tropical region of Cochabamba. This information was obtained from data supplied by satellite imagery and aerial surveillance.

He said that the number of new plantations and seedbeds is alarming and that until a new date for meeting with the coca grower leaders is set, which could be on 3 August, destruction of new plantations and seedbeds will continue in compliance with agreements signed with the grass roots.

Sanchez Berzain reported that to date, 2,600 hectares have been eradicated of the 5,400 that will be destroyed by December in compliance with the program established by the government.

The minister said that up to the present, approximately 10,000 square meters of seedbeds have been destroyed. These 10,000 square meters represent 1,000 hectares of new coca plantations. However, "according to information available, there are still many more in the tropical region of Cochabamba."

Sanchez Berzain asserted that drug enforcement in Bolivia is a very serious problem and that is why the government resorts to dialogue and agreements to find prompt solutions to this problem.

He said that the act of understanding signed by three labor unions was extended to eight other organizations of the Isiboro Secure National Park. This act of understanding is the same one applied in keeping with the program established for the destruction of seedbeds and new coca plantations throughout the region.

He explained that the coca growers violated the agreement because they intended to ignore the fact that the act of understanding had been signed by resorting to violence and actions that prompted the government to react.

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Sanchez Berzain asserted that the government will continue to pay those who eradicate coca plantations, and destroy seedbeds and new coca plantations, because they violate the laws currently in force in Bolivia.

He added: "The coca planted in the Isiboro Secure National Park is illegal, "with this exception: The coca planted before Law No. 1008 was enacted will be considered surplus, and those who eradicate it will receive compensation."

Sanchez Berzain warned that if the grass roots coca growers refuse to sign the preliminary agreement reached by mid-level leaders and the government with the mediation of the Cochabamba Civic Committee, "they will be categorically rejecting dialogue at a time when we need to leave in peace and tranquillity."

The minister also mentioned that the government will not tolerate measures of pressure such as the ones announced by the Bolivian Labor Federation and the United Confederation of Peasant Workers of Bolivia.

Although the minister does not believe the threat to stage a hunger strike and a road block will materialize, he warned that "the organizations in charge of maintaining public order will make sure that does not happen."

Brazil

Cardoso Launches 'Offensive' in Economico Bank Case

PY1708113795 Sao Paulo AGENCIA ESTADO in Portuguese 2018 GMT 16 Aug 95

[Report by Ana Maria Tahan]

[FBIS Translated Text] Brasilia, 16 Aug (AE) — President Fernando Henrique Cardoso today launched an offensive to show that his administration did not yield to the threats of Senator Antonio Carlos Magalhaes (PFL-BA) [Liberal Front Party-Bahia] and of the Bahia bloc of lawmakers when it accepted the expropriation of the Economico Bank, which had been placed under trusteeship by the Central Bank [BC]. President Cardoso today summoned all of the leaders of pro-government parties in the Chamber of Deputies and in the Senate to ask them to help him "win the arm wrestling over the media." Cardoso vowed to do his share to sell the government's position to the public and recommended that Finance Minister Pedro Malan write a letter to Senator Magalhaes urging him to come forward with the charges he threatened to press against members of the BC executive board.

Additionally, Cardoso ordered Malan and BC President Gustavo Loyola to make remarks to the press to explain that the BC intervention in the Economico Bank has not ended, that the administration will not invest one additional penny from the treasury in the Economico Bank, and that the offices of the bank will be reopened only when the Bahia administration supplies the necessary funds to guarantee possible withdrawals — somewhere around 2.9 billion reals.

One of the pro-government leaders in Congress who met with the president today said: "The president acknowledged that he has lost the arm wrestling over the media." Attending the meeting were deputies Germano Rigotto (PMDB-RS) [Brazilian Democratic Movement Party-Rio Grande do Sul], Luiz Carlos Santos (PMDB-SP) [Sao Paulo], Inocencio de Oliveira (PFL-PE) [Liberal Front Party- Pernambuco], Jose Anibal (PSDB-SP) [Brazilian Social Democracy Party], and Michel Temer (PMDB-SP), and senators Jader Barbalho (PMDB-PA) [Para], Sergio Machado (PSDB-CE) [Ceara], Hugo Napoleao (PFL-PI) [Piaui], and Elcio Alvares (PFL-ES) [Espirito Santo]. No sooner had they arrived at Planalto Palace at approximately 1145 than President Cardoso opened the meeting by assuring them that "neither the BC nor his administration will place any more federal funds in the Economico Bank." The president asked all of them to convey this message to the media and to other circles.

Cardoso insisted on stating that neither he nor Planalto Palace surrendered to Magalhaes' threats, and announced that Finance Minister Malan was writing a letter to Magalhaes urging him to "come forward with specific charges against the BC." After hearing from the congressional leaders that the prevailing opinion both in Congress and in media circles is that the administration yielded to the pressure exerted by the Magalhaes-led Bahia bloc, Cardoso said: "We must show that we have nothing to conceal and launch an offensive to inform the public about our position."

Cardoso gave a detailed report on the negotiations held since 10 August, which preceded the BC decision to place the Economico Bank under trusteeship on 11 August, and then led to the temporary expropriation of the bank by the Bahia administration. He noted that the stocks owned by the Calmon de Sa family were transferred to the Bahia administration at the request of Governor Paulo Souto, who vowed to persuade businessmen and customers to both maintain their deposits and make new investments in the bank through a campaign to be promoted in the state. "This does not mean that the intervention has ended," Cardoso told the congressional leaders. He added: "In order for the offices of the Economico Bank to reopen, the Bahia administration will have to meet the legal requirements and supply the funds needed to prevent the bank from seeking special BC loans and to enable it to assume its

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commitments regarding withdrawals, investments, and deposits."

After returnimg to Congress early this afternoon, the congressional leaders started to faithfully comply with the president's decision. The first thing they pulled out from their pockets was a copy of the communique released last night by Planalto Palace outlining the government's requirments to accept the expropriation of the Economico Bank by the Bahia administration.

Chamber President Asks Cardoso To Help Senator

PY1808040495 Sao Paulo AGENCIA ESTADO in Portuguese 2346 GMT 17 Aug 95

[FBIS Translated Text] Brasilia, 17 Aug (AE) — The executive board of the PFL [Liberal Front Party] decided this morning to avoid criticism by Planalto Palace and the economic team. Carefully, it suggested that Finance Minister Pedro Malan begin heading the Economico Bank negotiations. The argument was that the Central Bank, which is headed by Gustavo Loyola, is subordinated to the Finance Ministry. Through this request, the PFL plans to put an end to the dispute between Senator Antonio Carlos Magalhaes [ACM] and the Central Bank. During talks at Planalto Palace this morning, Chamber of Deputies President Luis Eduardo Magalhaes told President Cardoso: "A reasonable solution must be found to this problem because my father cannot lose face as a result of this episode."

PFL President Jorge Bornhausen is convinced that once the financial impasse is solved, the political problem will be automatically solved. A PFL leader said: "The problem can be solved but everyone will be affected, from political boss ACM to President Cardoso, including the PFL, which has been trying to build an image of a renewed party."

In the opinion of Deputy Ney Lopes (PFL - RN) [PFL - Rio Grande do Norte], "the Central Bank bureaucrats will be benefited because they left politicians in general, and the PFL in particular, under suspicion." Deputy Jose Thomaz Nono (AL) [Alagoas], who founded the PFL, where he still has a large number of friends, is anxiously studying the Economico Bank crisis. Nono, who is now a member of the PMDB [Brazilian Democratic Movement], summarized: "ACM bet a lot on the prestige of the Bahia people and government and grew in the eyes of the grass roots, but his attitude caused a great deal of discomfort to the other PFL leaders." Nono emphasized the contrast between Senator Antonio Carlos Magalhaes' heavy style and Vice President Marco Maciel's "light" one.

Malan Says National Financial System Safe

PY1708145595 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 17 Aug 95

[FBIS Translated Text] Finance Minister Pedro Malan has rejected rumors that the illiquidity problem is extending throughout the financial system. He said the illiquidity problem is restricted to the Economico Bank and another smaller bank that is resorting to a Central Bank financial rescue mechanism. Minister Malan said the Central Bank totally guarantees the national financial system.

Angolan President Santos Discusses Peace Process

MB1808083795 Luanda Radio Nacional Network in Portuguese 0600 GMT 18 Aug 95

[FBIS Translated Text] President Jose Eduardo ends his visit to Brazil on 18 August. After being awarded a merit and honor medal on 17 August for his contribution to southern Africa's liberation process, on 18 August he will receive an honorary doctorate degree. Speaking at the 17 August award ceremony, President Santos said the medal was a gain for all Angolans. In his speech, President Santos gave an account of southern Africa's liberation struggles:

[Begin Santos recording] Although it was under attack and part of its territory occupied by racist forces, Angola never stopped assisting the Namibian people in their struggle for independence, and the South African people in their campaign to end racial discrimination, and for democratization. These goals have been successfully accomplished.

In a dramatic twist of fate, only Angola is still plunged in a serious socioeconomic crisis as a result of the war that UNITA [National Union for the Total Independence of Angola] decided to continue against the country's legitimate government and democratic institutions. Concrete steps have been taken to establish a lasting peace in Angola, notably the signing by government and UNITA of a protocol that sets the dates and terms for the complete confinement and disarmament of UNITA soldiers and the integration of its members in the Angolan Army. Afterward, the bulk of elected UNITA MP's will join the National Assembly, and some of its officials will form part of a government of national reconciliation. The post of vice presidency has been offered to the two parties with the most votes in the September 1992 elections, that is, the MPLA [Popular Movement for the Liberation of Angola] and UNITA. [end recording]

During a meeting with Brazilian entrepreneurs, and after briefing them on the Angolan peace process, President Jose Eduardo dos Santos encouraged them to join

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the process in view of the prospects created by new Angolan-Brazilian relations:

[Begin Santos recording] The role of political leaders is to practically fulfill the political will of the respective peoples by improving their living and spiritual standards. We are aware that we cannot fully accomplish this role in Angola unless we promote peace and national reconciliation.

As political leaders we also have the duty of promoting understanding, dialogue, political negotiations, and cooperation among nations. It was in this context that I have held very fruitful discussions with his excellency the president of the Federative Republic of Brazil. Technical and ministerial delegations of the two countries also had the opportunity to evaluate in a detailed manner the outstanding issues on the agenda for bilateral cooperation. We have discussed and reached agreement on ways to resolve the problem caused by Angola's debt to Brazil. A declaration of intent has been signed, outlining the way in which Angola's debt will be rescheduled. Angola has agreed to send 20,000 barrels of crude oil to Brazil daily. Export credits have been released to permit Brazilian and Angolan businessmen to operate on a basis of reciprocity of advantages in the respective markets. [end recording]

PMDB Leaders View New Party, Cardoso Ties

PY1808035295 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 13 Aug 95 p A8

[By Silvio Bressan]

[FBIS Translated Text] Some PMDB [Brazilian Democratic Movement Party] leaders believe that the new party resulting from the merger of the PPR [Progressive Renewal Party], the PP [Progressive Party], and the PTB [Brazilian Labor Party] will cause harm to the PSDB [Brazilian Social Democracy Party] and the PFL [Liberal Front Party] and bring the PMDB closer to President Fernando Henrique Cardoso. Senator Jader Barbalho (PMDB - PA) [PMDB - Para], full of hope, said: "With another strong party of the right in the government, the PFL will have a powerful competitor and the PSDB's social democracy will disappear."

According to another PMDB leader, who chose not to identify himself, President Cardoso will have only one option. "With the PSDB isolated between large rightist parties, the government will lose its characteristics," this leader said. "As a result, Cardoso will have to seek the PMDB's support to avoid becoming a hostage of these parties," he added.

Barbalho thinks that the new party will create a strong hegemonic group within the government-supporting bloc. He said: "Instead of having small parties supporting the government, there will be a strong group, made up of competent and experienced people. Therefore, the government will incline toward the right and the PSDB, with its social-democratic program, will be left in a bad position."

The other PMDB leader pointed out that pressure for government positions will increase. In the PSDB and the PFL, however, no one admits these risks. The PSDB leader in the Chamber of Deputies, Deputy Jose Anibal (SP) [Sao Paulo], said: "It is useless and idiotic to talk about pressure for positions, because this merger was not inspired by political opportunism." He thinks "there will be no changes in the government-supporting bloc."

Anibal pointed out that the new party does not have the arithmetical dimension attributed to it. The leaders of the PPR, PP, and PTB figured out that the new party would gather a 115-deputy bloc in opposition to the PMDB's 104-deputy bloc. He said, however, that "it will not be the largest party because several members will leave it."

Senator Carlos Antonio Magalhaes (PFL - BA) [PFL - Bahia] also has doubts about the size of the new party. He said: "In this case, two plus two are not four." According to Sen. Magalhaes, a lot of members will leave these parties. The senator, who has influence over the two deputies of the Bahia PTB, Felix Mendonca and Jose Tude, said that "in politics one should never add up mathematically."

Deputy Prisco Vianna (PPR - BA), who is in charge of the legal aspects of establishing the new party, admits that there will be defections. He said: "There are regional problems that cannot be overcome and they will certainly affect the members of our parties."

Private Investment May Solve Economico Bank Case

PY1808021695 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 17 Aug 95

[FBIS Translated Excerpt] The Bahia government has been trying hard but does not have sufficient resources to begin controlling the bank and suspend the trusteeship. [passage omitted]

Bahia people believe the local government will be able to attract new investors. To control the Economico Bank, the Central Bank demands that the Bahia government cover more than 50 percent of the bank's debt, which is equal to 1.1 billion reals. [passage omitted]

It is not possible for the Bahia government to pay the bank's debt. Even if the government used the total amount of money it collects through the Goods and

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Services Movement Tax each year, it would not have sufficient funds to cover the debt. [passage omitted]

The solution to the Economico Bank problem depends on money from private investors. The efforts now begin from scratch, except that the Central Bank is no longer acting on the government's behalf. The one who is doing so now is Finance Minister Pedro Malan. Malan is quiet and always ready to listen. Senator Antonio Carlos Magalhaes will no longer negotiate on Bahia's behalf; Bahia Governor Paulo Souto himself will do so.

The decision to change the two parties' negotiators was made during a meeting between Chamber of Deputies President Luis Eduardo Magalhaes and President Fernando Henrique Cardoso. From the time this decision was made, the game restarted, but with two truths that have apparently been made very clear to the two parties: First, the Treasury will not contribute a single penny. Second, the Bahia Government does not have funds to invest in the bank. The problem now is to find out where to obtain the money needed to suspend the trusteeship of the bank.

The Bahia governor did all he could: He visited the Central Bank, talked to President Cardoso, and discussed the issue with his Bahia friends at the home of the Chamber of Deputies president. The Bahia congressional bloc has also done its best at Congress and the final proposal was sent to Minister Malan late in the afternoon: A group of entrepreneurs could contribute the money and then control the bank. Economist Daniel Dantas, who is linked to the Bahia government, is trying to attract entrepreneurs to the project. At the same time, the Bahia state attorney, the local finance secretary, and two lawyers will determine, together with Central Bank experts, whether this solution is legally feasible.

Problems of Agricultural Minister, Policy Viewed

PY1708234595 Rio de Janeiro JORNAL DO BRASIL in Portuguese 13 Aug 95 p 2

[Article from "Castello's Column" by Marcelo Pontes]

[FBIS Translated Text] The agriculture minister of the Fernando Henrique Cardoso administration has a very long name. His name is Pedro Parente Mendonca de Barros Guilherme Dias Francisco Graziano Andrade Vieira. To better explain it: The official minister is Jose Eduardo Andrade Vieira, who lives on the moon, and there are four other unofficial ones who have their feet on the ground and who are the ones really making the government decisions on agricultural policy. They are Pedro Parente, Finance Ministry executive secretary; Economic Policy Secretary Jose Mendonca de Barros; Agricultural Policy Secretary Guilherme Dias; and Presidential Private Secretary Francisco Graziano, who is an agricultural engineer.

President Cardoso learned last week about Andrade Vieira's life on the moon. When Andrade Vieira returned from a 20-day trip to the PRC, he asked for an audience with the president. There was great concern among Cardoso's closest advisers about how Andrade Vieira would react to the interference of Finance Ministry and Planalto Palace experts in his job.

Pedro Parente, Mendonca de Barros, Guilherme Dias, and Chico Graziano received orders from their superiors to surround the Agricultural Ministry and make it work. Planalto Palace believes that Andrade Vieira does not control his ministry at a decisive moment when preparations must be made for the next harvest.

Andrade Vieira's best performance was having gone to the PRC at a time when the farmers had not yet broken camp in Brasilia, where they were demonstrating, and when landless peasants were on their way to the capital. There are serious problems in the country, both for large-scale farmers and peasants, but Andrade Vieira does not seem to notice.

The logical conclusion of the government is that the problem with agriculture is not agriculture; it is the agriculture minister. The government thinks that all the measures to assist the farmers and to guarantee the next harvest have already been adopted by the four unofficial ministers.

The difficulties lie precisely in the execution of the measures. There are many complaints that the credits for the new harvest have not arrived at all the Bank of Brazil branches and that the requirements to qualify for loans are stricter. These problems were attributed to the administrative reform the Bank of Brazil is undergoing. The Bank of Brazil is closing branches and reducing its staff. However, an order has been issued in Brasilia to give priority treatment to these problems.

Such is the manner by which agriculture is being administered. Why isn't the official agriculture minister being fired? For the same reason that Economic Coordination Secretary Jose Milton Dallari is not fired: The president has thus far demonstrated that he does not like to fire anyone. He expects the involved official to tender his resignation.

Dallari, in terms of his position, is lying flat on the ground, but Cardoso is not removing him from the administration. He expects that at the moment of death, before the last sigh, Dallari will lift his head and have the dignity to tender his resignation because he can no longer remain in his post, or because he does not want to pose a burden for the administration he loves so much.

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It is the same with Andrade Vieira. The president's closest friends guarantee that he will never fire him. It has been acknowledged in Planalto Palace that naming Andrade Vieira was one of the mistakes the president made when he selected his cabinet. Vieira was chosen to be agriculture minister only at the last moment; he went to Planalto Palace at the right moment with marvelous ideas about agriculture. "Ready; we have the agricultural minister before us," an adviser told the president. And that was how it was done. Now, it is difficult to undo.

Drug Traffickers Unite, Create 'Rio Cartel'

PY1808035195

[FBIS Editorial Report] Rio de Janeiro JORNAL DO BRASIL in Portuguese on 15 August carries, on page 20, three articles on the establishment of the "Rio Cartel."

The first, a 900-word article written by Renato Fagundes, explains that six months ago, the main Rio de Janeiro drug traffickers united to create a cartel and centralize the distribution of drugs and weapons in the state in the hands of two criminals. It adds that according to investigation by Police Inspector Marcus Pires, head of the Civil Police Superintendency for Special Activities, police learned that during a meeting held in Nova Iguacu in March, which was attended by the "owners" of the drug sale points, it was decided that Jorge Luis de Souza, of the Acari slum, would be responsible for the distribution of all the drugs sold in the Rio slums, while the monopoly on weapons smuggling and sales would be given to Romildo Souza da Costa, aka Miltinho, of the Dende Hill slum, in Governador Island. The article goes on to report that, according to police investigations, a group of policemen raided the place where the meeting was being held and killed three criminals. Drug trafficker Pedrinho Maluco, of the Vilar Carioca slum, retaliated by ordering a member of his gang — Marcio Dinares, aka Morte — to kill three military police agents. The article adds that Dinares was then arrested and reported to the police details about the cartel. Further on, the article reports that investigations have already resulted in the issuing of 19 arrest warrants against Acari Slum drug traffickers, 12 of whom have already been arrested, and that the first criminal to be arrested was kidnapper and robber Neilson Dias de Moraes, the second most important drug trafficker in Acari slum, who supplied the police with data on Hermes Alves Bernardes, aka Parran, who headed the security force of numbers game kingpin Castor de Andrade and managed drug trafficking in Vila Vintem slum, Acari slum, and Villa Kennedy. The article states that Parran is also a member of the extermination group headed by Celso Luis Rodrigues, aka Celsinho, of Vila Vintem slum. The article concludes by quoting Inspector Pires: "Nowadays, numbers games, drug trafficking, extermination groups, corrupt policemen, and kidnappers make up one single organization."

The second, a 250-word unattributed article, views the choice of the Dende Hill slum as headquarters for weapons smuggling and selling as a result of its favorable location near the Rio de Janeiro international airport and at the entrance of Guanabara Bay. The article adds that Romildo Souza da Costa, 38, has been selling drugs and weapons for 13 years, and that he has managed to stay alive that long due to his discreet way of acting and to the social security program he has implemented in the slum. The article concludes by reporting that although Costa has become one of the most wanted criminals in Rio de Janeiro, the slum community protects him.

The last, a 230-word unattributed article, supplies data on Jorge Luis de Sousa, whom the police consider Rio de Janeiro's most active kidnapper, and believed to have links with some policemen of the anti-kidnapping division, to whom he paid 150,000 reals to free his "employee" Raimundo Ivan Mesquita Pinto, aka Buda, who had been kidnapped in April by two civil police agents and an informer. The article adds that Sousa, like several other criminals, is very charitable toward the Acari slum dwellers, and that he is a "wolf" who has more than 20 children spread throughout the slum. The article then reports that during the first Operation Rio, Sousa handed 28 weapons, most of them rusty and obsolete, to the police with a poster saying "we do not want a war with the police nor conflicts with the Armed Forces." The article concludes by reporting that Sousa replaced drug trafficker Denis after the latter had a big fight with Paraza, who is known as one of Rio de Janeiro's most violent criminals.

Chile

Frei Given Proposal for Expediting Human Rights Issue

PY1808030395 Santiago EL MERCURIO in Spanish 17 Aug 95 pp A1, A12

[FBIS Translated Excerpt] President Eduardo Frei has received the draft of a proposal that includes a formula for expediting the pending trials for human right violations and a reform of the Armed Forces Organizational Law.

After receiving the proposal, President Frei decided that the government must now play a more active role in calling for negotiations concerning this proposal because he saw positive signs from all sectors, both

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from the Coalition of Parties for Democracy and the opposition, after the negotiations held with these sectors to prepare an agenda.

President Frei received the draft proposal on the night of 15 August in his private residence after returning from a tour of the Sixth Region. He received the proposal from the ministers of the Interministerial Political Committee who are in charge of this project. They are: Government Secretary General Jose Joaquin Brunner, Presidential Secretary Genaro Arriagada, Interior Minister Carlos Figueroa, and Justice Minister Soledad Alvear, who is not a member of the political committee but who played an active role in drawing up the legal aspects of the human rights issue.

The proposal is centered on two main aspects: the Armed Forces Organizational Law and ways of expediting the trials on human rights violations.

A high-ranking source of La Moneda Government House, upon confirming this information, said: "The document is ready. It must now be coordinated."

The procedure the government will follow on this project will reportedly be defined by President Frei today during the cabinet meeting to be held at 0930 in La Moneda Government House.

President Frei will hear for the first time the opinion of all the cabinet members with regard to the discussions held in the last few weeks, which were being managed by the political ministers. [passage omitted]

Defense Minister Perez Yoma Interviewed

PY1708042095 Santiago ERCILLA in Spanish 11 Aug 95 pp 10-13

[Interview with Chilean Defense Minister Edmundo Perez Yoma by Patricia Fernandez G., granted in his Defense Ministry offices in Santiago; date not given]

[FBIS Translated Excerpt] [Fernandez] Why did you decline the Senate's invitation to brief the Constitutional Committee on the human rights issue?

[Perez Yoma] I did not decline the invitation; I postponed it. Because several people had been invited, I preferred to know all the issues raised before delivering a more official version.

[Fernandez] That is, you wish to attend the Senate anyway?

[Perez Yoma] I am not going to refuse a Senate invitation to hold a dialogue under any circumstances.

[Fernandez] As defense minister, how do you assess the current situation the country is experiencing in view of civilian-military ties, particularly after the administration and the parties have decided to start negotiations on a vast agenda to end the transition period?

[Perez Yoma] I would say that the situation the country has experienced, which I have at times described as delicate, has eased. I would say that great progress has been made toward achieving an effective reconciliation between civilians and the military. First of all, both the opposition and government parties have shown a willingness for dialogue. Moreover, I believe that we have resurrected a pending issue, but we are discussing it on the government's terms, that is, without haste, and in depth. We are centering on key issues and leaving aside secondary ones. [passage omitted]

[Fernandez] Let us be realistic. The right — which is in the majority in the Senate — has rejected the constitutional reforms. How do you think the administration will be able to pass them without a pact or the holding of negotiations with the right?

[Perez Yoma] I do not know which is the proper path. I dislike the word "to negotiate." If we adopt this attitude, we will go nowhere. What is at stake here is the achievement of a comprehensive agreement that will please everyone. Although perhaps this agreement will not please everyone one hundred percent, it will at least please more people than the previous one.

[Fernandez] Like the 1984 agreement?

[Perez Yoma] I do not think so because we did not have a democratic regime in 1984, and now the institutions are in force. I believe this is a perfect opportunity to hold serious discussions for a lofty objective on a series of issues that are truly troubling us. The time has come "to sweep the dirt from beneath the rug where we have been hiding it," to expose it and truly clean up the house, not just push the dirt from one place to another. This is what we need to do in Chile, and perhaps this is the proper time to do it.

[Fernandez] Why did the CPPD [Coalition of Parties for Democracy] decide to reject the proposal submitted by the right if persons like yourself, Senate President Gabriel Valdes, and some other senators believed it contained some positive points?

[Perez Yoma] I was very specific in pointing out that the positive aspect to all this was that for the first time, the right had addressed the issue of the missing detainees. This is a very interesting point. Now then, according to reports made available to us by the justice minister, the proposal creates more problems than it intends to solve. Therfore, we decided that if the right insisted on subjecting it to immediate vote, it would be rejected. [passage omitted]

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[Fernandez] General Pinochet once threatened that if one of his men was ever touched, the state of law would be interruprted. Moreover, he recently told journalist Maria Eugenia Oyarzun that the "Contreras case" is precisely one of these cases. Do you think that in the end the Army will allow Contreras to go to the Punta Peuco prison?

[Perez Yoma] Of that I am absollutely certain.

[Fernandez] Do you believe Gen. Pinochet suggested, requested, or demanded that Contreras be pardoned?

[Perez Yoma] Gen. Pinochet neither requested nor demanded that Gen. Manuel Contreras be retired or pardoned.

[Fernandez] President Frei requested the State Defense Council to discontinue investigating the [Army] "checks case" by alluding to reasons of state. What other concessions is the administration willing to make for reasons of state? For example, is it willing to commute Contreras' prison sentence to banishment, as was done once with General Viaux?

[Perez Yoma] Any change regarding Gen. Contreras' situation, that of Brigadier Espinoza or of anyone serving a sentence, must meet a number of requirements, but none of them pertain to the Contreras case. If a request is ever made, it would have to be made after a long period of time. He would have had to serve at least half of his sentence, and he would have had to behave irreproachably while in jail. Such a request can only be studied after it is made and prior to a report submitted by the justice minister. But none of this is possible at this time. All previous cases of banishments and commutations of sentences involving terrorists concerned people who had been serving their sentences for many, many years.

[Fernandez] Is the administration aware that the Punta Peuco prison will always be a sore point?

[Perez Yoma] We do not see why it should be.

[Fernandez] For example, would it not be more practical to hand over the Punta Peuco prison to the Armed Forces so that it can be alternatively managed by the three Armed Forces branches under the Defense Ministry supervision, as is the case in other countries that have penal institutions for the military? I am saying this because if the objective of this sentence is to curtail freedom, this can be done at a military jail without so many "military protests" and annoyance.

[Perez Yoma] Yes, of course. Yes, it is true that there are jails for the military in other countries. Chilean law establishes that all penal institutions in the country fall under the jurisdiction of the National Penitentiary Police. In order to implement what you are suggesting, we would have to amend the law.

[Fernandez] Do you admit that some CPPD members have exhibited great immaturity in the human rights debate for the sake of obtaining a more prominent role and gaining political publicity, and that this sign of weakness has given a great advantage to those military personnel who like to play on the sidelines?

[Perez Yoma] Well, I dislike the term immaturity, but there has been a certain lack of control. (laughter) Lack of control and anxiety are terrible companions for politicians, particularly in times of crisis.

[Fernandez] Without mentioning any names.

[Perez Yoma] Of course. I never mention any names.

[Fernandez] Did you believe Pinochet when he said that he was "taken by surprise" by the Punta Peuco demonstration?

[Perez Yoma] I am obliged to believe Gen. Pinochet and what he tells me.

[Fernandez] Everyone says that the Armed Forces have remained calm because of Gen. Pinochet's leadership. He is 80 years old; therefore, he will be out of the Army soon. What will happen when he leaves? Do you believe institutional principles will prevail?

[Perez Yoma] The Army is a strong, well-structured, and powerful institution that will be able to bear Gen. Pinochet's departure when he fulfills his constitutional term in a calm and absolutely normal manner. I have no doubts that the Army is preparing for this day despite having had this strong leader for many years.

[Fernandez] Politicians acknowledge that there is a group of generals who uphold a harsher position, like General Eugenio Videla. Don't you think this may be a serious problem in the future?

[Perez Yoma] I truly don't think so.

[Fernandez] As defense minister, how would you define your personal ties with the Armed Forces high command?

[Perez Yoma] In only one way: Normal, institutional, and hierarchical. At the personal level, as time has gone by and we have become to know each other better, increasingly more pleasant.

[Fernandez] You have said you felt impotent at being unable to make the military understand the magnitude of the drama of the missing detainees and to make civilians understand the military command. Do you believe Chile has been unable to appreciate your efforts to achieve a rapprochement between these two worlds?

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[Perez Yoma] I am not trying to obtain any appreciation. Since I assumed my duties at the Defense Ministry, I have tried to implement an explicit defense policy supported by all Chileans. The first step toward accomplishing this goal is to establish normal and fluid relationw with the Armed Forces, and this has been done. All these incidents — and that is how I view them — have, however, tarnished what the Defense Ministry has achieved. We have indeed realized truly tremendous progress. The people have perceived this to some extent, but not entirely.

[Fernandez] Have you forgiven the interior minister?

[Perez Yoma] In this regard, I would like to assert that I have never had any difficulties with the interior minister. He has been a beloved friend for many, many years, one with whom I share a longstanding friendship.

[Fernandez] Well, it is understood that this does not entail a personal disagreement, but having different points of view.

[Perez Yoma] We have had some "difference of opinions," but these have been overcome within a normal framework.

[Fernandez] But is it true that these "difference of opinions" were the cause of a quite important "disagreement" on 9 August?

[Perez Yoma] These are unimportant rumors that are not even worth denying.

[Fernandez] Is it true that Gen. Pinochet told you "we do not want to stage a coup d'etat, so don't force us to do it?"

[Perez Yoma] I categorically deny that.

[Fernandez] I am asking you because he said something like that to a journalist. He also added: "But if that was the case, we would keep the embassies under surveillance...."

[Perez Yoma] I am not aware of that, but I categorically deny the phrase that people are attributing to me.

War Under Secretary Views Williamsburg, Military Role

PY1708165395 Santiago EL MERCURIO in Spanish 12 Aug 95 p 7

[Report on interview with War Under Secretary Jorge Burgos by Alicia Aravena in Santiago; date not given]

[FBIS Translated Text] For the inhabitants of Williamsburg, the meeting of the 34 defense ministers of the Americas did not upset the normal rhythm of life of this city of the state of Virginia, the cradle of U.S. freedom and institutional life.

Its colonial architectural style witnessed the joint evaluation of matters dealing with security, the role of the Armed Forces, defense, and weapons. It is a historical fact that will be a landmark for many other meetings in the western hemisphere. The next such meetings will be held in November in Santiago.

The new world political situation, and the economic and cooperation efforts between nations, raises the need to redefine national security terms and to measure the threats hanging over the vigorous democracies. Defense Minister Edmundo Perez Yoma did not go to Williamsburg because of the situation that developed over the so-called "gathering at Punta Peuco prison." He was represented by War Under Secretary Jorge Burgos, who carried a Chilean proposal to hold a special security conference within the framework of the OAS.

[Aravena] What was the reaction to this proposal?

[Burgos] We believe the OAS is a feasible forum to continue to analyze the subject. Compared with other international forums, hemispheric security action by our international organization has been sluggish and not very productive.

[Aravena] Is there a consensus among nations to jointly address defense matters through a hemispheric agenda?

[Burgos] There are matters on which there is a consensus, like continuing to build up confidence. This is particularly what Chile has done with Argentina and Peru — countries that have adopted an appropriate line of action in the area of defense, through meetings of staff members and consultation mechanisms, and obviously also in the economic and cultural areas.

[Aravena] One of the conclusions of Williamsburg reiterates the Armed Forces' subordination to democratic authorities...

[Burgos] All countries share this conclusion, which is common in these international forums. The matter, however, is analyzed from the viewpoint of the situation prevailing in each country, maintaining the logic that the Armed Forces are factors that participate in democracy, and that they, as the military power, are subject to the rules of democracy.

[Aravena] What was the reaction to Minister Perez Yoma's absence because of what happened in Punta Peuco?

[Burgos] They are two different things. We were asked about other ministers, and I — in my capacity as head of the delegation — gave an explanation based on the real situation, an explanation that was accepted. We did not explain because it is a domestic Chilean matter, and our position was strongly respected.

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[Aravena] Is there some double talk?

[Burgos] No, because we live in a specific national situation, which does not seem to put at stake this conclusion of the Williamsburg meeting. It is true that our democracy still needs some improvement, but this should be done within our own rules.

[Aravena] What should be the role of the Armed Forces in the new situation in the Americas, which is marked by vigorous regional democracies?

[Burgos] The role is established by the Constitution and by existing laws. Therefore, any change calls for modifications in the juridical structure. We believe that, while respecting the law, the Armed Forces can cooperate with modernization. Their essential role, however, is still external security. At this point we have differences with other countries, which have assigned the Armed Forces a role that is closer to the duties of the police, especially by making the military join the drug enforcement effort. Based on our situation, we believe this approach will work in Chile. It is a rather dangerous role, and the hemisphere cannot have a single general recipe for it.

[Aravena] Changing the subject, what do you think about the proposal by Deputy Espina to privatize enterprises like Enaer [National Aeronautical Enterprise].

[Burgos] Even though I am not against the subject itself, in that I do not advocate a ban on all privatization initiatives, I believe the matter should be very carefully analyzed in the case of strategic enterprises. Weapons manufacturing enterprises like Enaer, Asmar [Navy Shipyards and Ordnance], FAMAE [Army Ordnance] cannot be regarded only from the viewpoint of their productivity. There are other factors that must be considered, and I believe this is how the matter should be analyzed, making — for example — efforts to have private capital join the sector. Yet there are many things to say about the subject, and it should be analyzed with particular care.

Deterrence

[Aravena] Concerning the Armed Forces budget, under the role you have outlined, is a salary adjustment justified, considering Chile is not facing a hypothetical war with any country?

[Burgos] Having the Armed Forces ready for action is always justified. That is my answer. This calls for expenses that must be balanced and prudent. Ours has been a policy of deterrence.

[Aravena] What is your opinion of a 28-percent salary increase?

[Burgos] Government officials, of the Defense and Finance Ministries, who have a lot to say on the subject, believe that in this case it is necessary to grant a different, special adjustment, to be added to the general adjustment that is generally granted to public servants at the end of the year. The 28-percent adjustment is obviously beyond the ability of the state to pay.

Daily Views Trade Potential With Argentina

PY1708234295 Santiago EL MERCURIO in Spanish 8 Aug 95 p A3

[Editorial entitled: "Trade With Argentina"]

[FBIS Translated Text] According to the Chilean-Argentine Chamber of Commerce, trade between the two countries will reach about $2 billion this year. This figure represents an increase of almost 25 percent from the $1.631 billion trade last year. Trade in 1993 was $1.318 billion.

The trade shows a deficit for Chile due to the Chilean purchase of natural gas through the gas pipeline.

Argentine purchases have been low due to the recession in that country. Chilean imports, however, are more dynamic due to the rapid growth of income. This process may continue this year and in 1996 due to the upgrading of the real exchange rate that would have to occur in Argentina as a result of no inflation. In addition to that, Chilean imports should increase due to our low exchange rate. As everyone knows, imports have been increasing considerably in the last few months and this is the natural adjustment mechanism of a surplus balance of payments such as the Chilean one.

It should be noted, however, that trade with Argentina is still limited, not so much by the Argentine economic crisis but because of the traditional barriers to free trade in the two countries. Tariffs are high and protectionist barriers prevail; some are open and others are disguised. The barriers are implemented under the excuse of plant diseases or unloyal competition.

Trade between the two countries could increase considerably due to the low transportation costs between two neighbors. If the Mercosur [Common Market of the South] makes progress in reducing protectionism, trade would be greatly strengthened. The same thing would happen if Chile continues with a unilateral trade opening but officials for the time being are not doing it.

It is interesting to point out that to have a complete trade picture, it would be necessary to add the trade of services and the effects of transnationalization which is taking place at the level of investments. The dynamic impact of this process can be seen and could overcome the trade of goods.

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It is also worth noting the little progress made in eliminating the physical restrictions still prevailing and which were the result of agreements that benefit no one. In this regard, it would be beneficial for Chile to open up because it would help increase the GDP and the trade of services linked to transportation and the development of large infrastructure projects. The state should free itself of port activities and road construction by allowing more private national or foreign participation. There is talk about negotiations and integration but no real initiatives are known on areas where progress is easier than in others, such as agricultural and livestock trade.

The wellbeing of the Argentine and Chilean people would increase considerably if the obvious trade potential between the two countries were reached. It is only natural that with very low transportation costs, bilateral trade would reach figures way above the current ones. In reality, what it is striking is not the trade growth but how little it is in relation to the size of the economies and the balance of payments of the two countries.

There is great development potential here which could easily be reached with some political will. But an effort in this regard cannot be seen by the officials of the two countries.

Trade Union Leaders Fear Joining Mercosur More Than NAFTA

PY1708183095 Santiago LA NACION in Spanish 16 Aug 95 p 11

[Article by Quintin Oyarzo L.]

[FBIS Translated Excerpt] Santiago — Leaders of the United Workers Federation (CUT) have a greater fear of joining the Common Market of the South (Mercosur) than NAFTA. This was released by CUT President Manuel Bustos, who said: I am more concerned about Chile's entry into Mercosur than into NAFTA, because association to NAFTA will not cause us immediate unemployment, but Mercosur can cause a very complicated situation overnight.

Bustos said the strongest negative repercussions will be in the livestock and agricultural areas, because there will be an invasion of Argentine and Brazilian products.

He thus proposes the establishment of an unemployment insurance to compensate for the effects of Chilean inclusion in international trade agreements. He said this will be discussed further because he understands that protection of employment and salary are important factors when joining this type of treaty. He added that the Chilean Government will play an important role in this. He said the government, together with businessmen and workers, must prepare a formula of unemployment insurance not linked to compensation for years of service, which already exist.

The CUT has been analyzing over the past few months — in close contact with its Canadian, U.S., and Mexican counterparts — the effects of Chile's entry into NAFTA. This included the visit of union leaders from the United States and Canada, and meetings at continental level where the main subject was the globalization of the economy, trade associations, and their effects on employment and labor laws. [passage omitted]

Commentary on Efforts To Join NAFTA, Mercosur

PY1708145395 Santiago EL MERCURIO in Spanish 6 Aug 95 p A3

[Editorial: "Trade Negotiations"]

[FBIS Translated Text] The delay in submitting to the U.S. Congress the request to join NAFTA and Mercosur [Common Market of the South] has prompted uncertainties about important economic goals. It has been learned that discussions on the authorization for a fast track treatment have been postponed in the House of Representatives and that no date has been set for a Senate decision. Thus, the U.S. presidential campaign could imply the postponement of the legislative authorization for several months. It has also been learned that the Mercosur proposal terms prevent acceptance, unless substantial changes are made. Moreover, despite the goodwill of the EU in seeking association with Chile, there will be no trade preference and no tariff lifting for the next few years.

We see then the option of continuing to expect the development of these treaties, or of unilaterally strengthening integration with world markets. The great expectations on multilateral agreements can no longer be used as a basis for stagnation concerning tariff matters. Some measures have been adopted in business sectors on the basis of these negotiations and opposition on the traditional theme of agriculture has been aggravated. This sector, however, demands the elimination of customs duties on components and machinery. Finally, the surplus of exports and their effects in the exchange system are an opportunity and an additional reason to adopt independent decisions that might include the reduction of customs duties to improve competitiveness and increase the demand for foreign currency.

More than five years have passed since government officials gave up autonomy in trade policy and opted for bilateral and multilateral agreements. It was seen then as a forthcoming goal the signing of broad free trade treaties capable of increasing our economic integration with the rest of the world. To achieve said objective the

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advantages of maintaining tariffs were defended, considering reducing them as reciprocal concessions. Said position, which was not very precise, could have made some sense with regard to the imminent agreements. Those possibilities were exaggerated and difficulties in materializing said understandings were minimized.

The business leaders cautiously follow multilateral negotiations and support them as part of the opening process, but condition their consolidation to more specific definitions which are not yet known, to make a decision when a positive balance justifies it. This is the reason for abstaining from progressing in terms of commitment with NAFTA while the fast track is not approved. This explains the acceptance of the resignation tendered by the coordinator who was designated by the Production and Trade Confederation, because of an eventual leak of the entrepreneurial positions. His successor is another distinguished professional with great experience in economic relations and broad ties with productive activities.

The quest for multilateral agreements must continue, but it should not create excessive expectations nor should it limit the trade opening process to complex negotiations, the terms of which are not yet known, which significantly depend on external facts and which can be dragged on for a long time. International negotiations should be placed, then, on a more realistic footing and not keep delaying internal measures that might strengthen trade integration with the rest of the world.

Border Road, Port Investment Plan Outlined

95SM0458B Santiago EL MERCURIO in Spanish 7 Jul 95 p C9

[FBIS Translated Text] This year the Public Works Ministry will begin a $500 million investment program in roads and ports to create greater physical integration with Argentina and take advantage of the trade opportunities offered by Mercosur and Asia's growing Pacific Rim markets. This was announced yesterday by Public Works Minister Ricardo Lagos, speaking to businessmen during a bilateral conference.

This funding will be used for a series of projects starting this year and covering a five-year period. They include paving border roads, port reconstruction and expansion, and studies to evaluate the feasibility of initiatives like the "low altitude tunnel," an alternative for the Cristo Redentor corridor that would link Juncal, Chile and Horcones, Argentina.

The priorities include the Jama access roads, the basis for the great northern corridor linking San Pedro de Atacama with the border going toward Jujuy, which will receive funding of $40 million during the 1995-2000 period; Los Libertadores, which will be improved with alternate connections under cover to allow passage in winter; Pino Hachado, in the south, on which $25 million will be spent; Cardenal Samore, whose last 25 kilometers will be paved at a cost of $5 million; and Integracion Austral [Southern Integration], which will receive a similar amount and will be ready next year. In addition, the San Sebastian access road will be completed in 1997, thanks to estimated funding of $6 million.

The minister yesterday gave a lengthy speech during a breakfast meeting sponsored by the Chilean-Argentine Chamber of Commerce, which was attended by businessmen from both nations. Also present were foreign investors, who are participating in private sector bids to award contracts for public works infrastructure projects through a licensing system.

After listening to the remarks by Minister Lagos, the president of the Production and Trade Confederation, Jose Antonio Guzman, expressed his disagreement about the manner of selecting the roads, ports, and airports most suitable for increasing commerce, without considering the opinions of the business community.

After stating his disapproval of "this policy of making decisions from on high," he said: "This is a decision that the market, the private sector, must make; the private sector must be allowed an opportunity to participate."

Trade between Chile and Argentina was about $1.4 billion in 1994 and is expected to rise to about $2 billion during 1995, according to preliminary estimates from the Chilean-Argentine Chamber of Commerce.

According to the assessment by the public works minister, Chile has only three significant highway corridors for transporting both tourism and freight. They are: Cristo Redentor, Tambo Quemado, and Cardenal Samore.

NAFTA Commissions, Labor Issues Viewed

95SM0458A Santiago EL MERCURIO in Spanish 4 Jul 95 pp A1, A12

[FBIS Translated Text] The coordinator of the negotiations for Chile's entry into NAFTA [North America Free Trade Agreement], Juan Gabriel Valdes, yesterday announced the official team of experts who will negotiate with NAFTA's member countries.

After the support received at the trade ministers' meeting in Denver, Colorado, and with its negotiating team now formed, Chile will, between 25 July and 1 August, technical discussions on joining NAFTA with Canada,

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Mexico, and the United States. These talks will take place in Mexico City.

The Chilean group will be divided into four commissions, with 12 attorneys and 10 economists participating, said Valdes.

Only government officials may take part in the official negotiations, not representatives from the private sector.

During the recent Denver summit—attended by 34 trade ministers of the Americas—the U.S. trade negotiator, Mickey Kantor, met with Chile's finance minister, Eduardo Aninat, and their Canadian and Mexican counterparts. At that time they scheduled the technical meeting that will take place in Mexico City at the end of July.

At the Denver conference the agreement by the countries of the hemisphere to move toward the creation of a free trade area by the year 2005 was ratified. This goal was set in December 1994 during a meeting of presidents of the hemisphere held in Miami.

Chile defended the formula it called "coordinated unilateralism" for the gradual formation of this continental free trade area, which is consistent with its intention of becoming NAFTA's fourth member.

Labor Minister Jorge Arrate said that at the Denver conference the Chileans emphasized the importance that the Chilean Government places on environmental and labor issues.

Negotiating Team

Yesterday at the Finance Ministry Juan Gabriel Valdes—economist, government adviser, and Chile's former ambassador to Spain—released the list of members of the team that will negotiate Chile's entry into NAFTA.

Andres Velasco and Alejandro Jara will be the deputy negotiators and Jaime Irarrazabal will be the legal adviser.

The team members have been divided into four groups.

The first (market access, rules of origin, customs procedures, agriculture, and government purchases) will be led by Jorge Kaufmann as negotiating coordinator and Augusto Aninat as special negotiating adviser. The people assigned to this group will be: Gloria Pena, Juan Carlos Collarte, and Ricardo A. Lagos. The experts are: Catalina Bau, Maria Elisa Farias, Claudio Sepulveda, Cristian Palma, Carlos Burgos, Carlos Furche, Orlando Morales, Gerardo Cancino, Manuel Brito, Francisco Tomic, Solange Duhart, Carlos Cabana, Francisco Tomic, Roberto Paiva, Juan Carlos Scappini, Paula Ward, and Igor Garafulic.

The second group (services, financial services, telecommunications, investment, and intellectual property) will be led by Maria Eugenia Wagner with Nicolas Eyzaguirre serving as special adviser. The members of this team will be: Liselotte Kana, Pablo Ruiz Tagle, Cristian Larrain, and Marino Porzio, The experts are: Sergio Escudero, Rafael Lorenzino, Fernando Ochoa, Carlos Budnevich, Hernan Lopez, Monica Caceres, Orlando Vasquez, Oscar Gonzalez, Juan Francisco Alamos, Cecila Grand, Enrique Perez, Francisco Prieto, and Ana Novick.

The third group (objectives, general definitions, rules of competition, dispute resolution; publications, notification, and administration of laws; general exceptions) will be led by Jaime Irarrazabal. Members of this panel will include Alejandro Jara, Liselotte Kana, and Rodrigo Asenjo.

The fourth commission (dispute resolution in cases involving antidumping laws, labor agreements, environmental agreements) will be coordinated by Andres Butelmann, and the special advisers will be Jaime Undurraga and Guillermo Campero. Members of the panel will include Jose Antonio Ruiz, Ricardo Vicuna, Lee Ward, Ricardo A. Lagos, and Leonel Sierralta. Finally, the experts will be Ricardo Katz, Ana Maria Coro, and Lucy Cangas.

Private Sector Support

Valdes stated that private sector participation has been quite significant in the phases prior to the start of official negotiations, but in this stage only government negotiators will take part, with a total of 10 economists and 12 attorneys, since the negotiators must be government officials.

Valdes explained that the private sector will follow the NAFTA negotiations closely, so there will be a direct link with the Chilean business community's representative, Fernando Aguero.

He explained that, as an option, if the participation of ministers and undersecretaries is required, when appropriate they will meet in Miami as an alternate site.

He added that Chile will not wait for the "fast track" mechanism to begin negotiations, and said that "we can reach agreements with or without 'fast track,' but we believe that approval of this mechanism by the United States is essential, and it could happen in January or February."

He said that during his visit to the United States and in the discussions at the Denver meeting he found that all the signals concerning the internal climate in the United States about Chile's entry seem quite positive.

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Valdes announced that today Finance Minister Eduardo Aninat will give the press a more extensive account of the Denver meeting.

Labor Issue

Labor Minister Jorge Arrate reported that the Chilean delegation to the Denver Free Trade meeting emphasized the importance of labor and environmental issues to the Chilean Government.

Arrate stated that Chile reaffirmed to the representatives of other governments the need to improve labor relations in order to make them more equitable and to achieve the essential goals of business productivity and competitiveness.

"I do not think I am boasting if I say that Chile is the only country, apart from the United States, where three ministers from three distinct areas emphasized that issue as something that it would be reasonable to discuss on the future agenda," explained Arrate.

He added that conditions have still not been set for Chile to enter NAFTA, so he repeated that until the formal negotiations begin, which will certainly happen by the end of July, the two agreements included in the treaty as side agreements, labor and the environment, will remain in effect.

The minister indicated that Chile is now in a position to sign the Free Trade Agreement. However, he said that if the labor reforms pending in Congress are approved, the NAFTA entry would be more beneficial and productive.

Chile could sign the present NAFTA labor agreement without amending its legislation, emphasized Arrate.

Concerning the negative impact that the status of General (r) Manuel Contreras, who has been sentenced to prison for the assassination of former Foreign Minister Orlando Letelier, may have on Chile's image abroad, he said that one of the major risk assessment firms for U.S. investors has raised Chile's category, placing it above the East European countries.

Arrate said that the position adopted by the Chilean union delegation led by the president of the CUT [United Workers Confederation], Manuel Bustos, was quite satisfactory, as in his speech he clearly stated that they support free trade and favor integration processes.

Colombia

U.S. Struggle Against Drugs at Southern Command

PA1808005195 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 16 Aug 95

[Report by Yolanda Ruiz in Santa Fe de Bogota and Fernando Ramos in Panama City; from the "National Newscast" — passages within quotation marks recorded]

[FBIS Translated Text] [Ruiz] The U.S. Southern Command in Panama is the gringos' strategic axis in their struggle against drug trafficking. It concentrates extraordinary technology and intelligence work allowing them to monitor everything traveling by sea, air, and land. Colombian television has been able to go there for the first time. Here is a special report for the "National Newscast."

[Ramos] One of the United States' best guarded secrets is here at Howard Air Force Base in Panama—everything pertaining to the struggle against drugs in Latin America.

The monitoring of illegal trafficking by air and sea is controlled from here. This radar equipment is capable of detecting everything from a small twin engine airplane in Argentina's airspace to a Boeing 727 on the island of San Andres:

[Colonel D. M. Danielson] "The responsibility of the operations center is to integrate [words indistinct]."

[Ramos] This air operations center wages its struggle against narcotics through radars located in Central and South American sites as well as with tracking aircraft.

Barry McCaffrey, an experienced general and commander of the U.S. Southern Command, is in charge of the operations. He is fully convinced the struggle against drugs will only be won by whoever has the most advanced technology. U.S. soldiers came, along with their advanced electronic technology, with the death of General Omar Torrijos and the U.S. invasion in Panama.

Information on aircraft detected to be carrying drugs is sent from this small computer center to all the South American countries' Air Forces on a daily basis:

[McCaffrey] "Colombian and Peruvian Air Forces in the last four months have been able to engage 17 (?aircraft) [words indistinct] successfully."

McCaffrey believes the struggle against drugs surpasses any discussion of national sovereignty:

[McCaffrey] "In complete deference to the sovereignty of Colombia, Peru, Bolivia, and Ecuador, we have [words indistinct]."

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The Colombian Air Force also benefits from those coordinated operations. Approximately 40 aircraft loaded with drugs have been immobilized in the last year thanks to information supplied from this center:

[General Fernando Tapias] "Also in the marketing sector, given the confiscation of large amounts of drugs, tons of cocaine, basic coca paste, and raw materials to manufacture those drugs." [sentence as heard]

The U.S. troops must leave Panamanian territory in 2000, but this operations center will be transferred to Miami, from where the struggle against drugs will continue.

U.S. Use of AWACS, F-16's Reported

PA1808041995 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 17 Aug 95

[Report by Yolanda Ruiz in Santa Fe de Bogota and Fernando Ramos in Panama City; from the "National Newscast" — passages within quotation marks recorded]

[FBIS Translated Text] [Ruiz] The country has been distraught on various occasions by the presence of strange U.S. aircraft in our airspace. The "National Newscast" went to the Southern Command in Panama and was able to learn about the aircraft, which are the gringos' secret weapon in the struggle against drug trafficking. Fernando Ramos has the report.

[Ramos] These immense dishes, which resemble an unidentified flying object, allow the AWACS airplanes to spy from the air—on airplanes and ships as well as telephone conversations. These powerful radars, which were vital in the Persian Gulf War, are now used in the drug struggle and are capable of controlling extensive zones, such as all of South America. This airplane can remain airborne 11 hours without refueling. Each flight hour costs about 22 million Colombian pesos. One of them flies over U.S. territory on a 24-hour basis, detecting aircraft that may be carrying illegal drugs. AWACS appeared in Colombia during the hunt for Pablo Escobar:

[Unidentified speaker] "We detect aircraft coming from countries that produce cocaine and fly to Colombia and other parts of the Andean region.

[Ramos] "You detect them and then what happens? Do you report them?

[Speaker] "Yes, we report them to the land stations, the Southern Command."

[Ramos] Once the aircraft are detected, the fearsome F-16's go into action. They are among the most modern war machines. Flying at speeds of up to 2,500 km per hour, the mission of the F-16's is to force the landing of aircraft suspected of carrying drugs:

[F-16 Pilot Major Court Walt] "The aircraft is an air-to-air [words indistinct]. The aircraft can go as fast as 1,500 miles an hour."

[Ramos] The AWACS and F-16's team is considered the ideal combination in the struggle against drug trafficking. It is a union with a guaranteed future, if you bear in mind the struggle against drugs has a long way to go.

Stock Market, Dollar Price React to Political Crisis

PA1708121595 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 17 Aug 95

[Report by Fanny Estela Payares, from the "24 Hours Newscast;" speakers identified by caption; passages within quotation marks recorded]

[FBIS Translated Text] The economic world is today keeping a watch on our country's political crisis.

[Payares] The securities market on 16 August was again shaken as a result of the political uncertainty adversely affecting the country. Even though the stock volume remained stable, their prices dropped.

[Bogota Stock Market President Carlos Caballero] "The index fell by 2.5 percent, reflecting certain uneasiness due to the situation the country is experiencing, especially because supply was higher than demand."

[Payares] Meanwhile, foreign investors have stopped conducting businesses, awaiting a political outcome.

[Coinvertir Company President Armando Vega Lara] "Investors are basically waiting for the institutions to function; of course they are waiting for the situation we are facing to be resolved."

[Payares] However, the government is confident that this situation will not traumatize the economy, even though people are nervous.

[Finance Minister Guillermo Perry] "There has been some uneasiness, nothing more than that. Why? Because the country knows that deep down, its political institutions and the handling of its economy are very stable."

[Senator Camilo Restrepo] "The sale of Colombian securities abroad will be adversely affected, leading to their nonsale or an increase in the interest we have to pay to sale securities abroad."

[Payares] The street value of the dollar was also affected. The purchasing and sale price of dollars changed by five pesos between 15 and 16 August.

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Justice Minister Views 'State of Internal Disturbance'

PA1708173395 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 17 Aug 95

[Interview with Justice Minister Nestor Humberto Martinez Neira by Dario Arizmendi and Judith Sarmiento; place not given — live or recorded]

[FBIS Translated Text] [Arizmendi] Good morning, Mr. Minister. For Colombians, after President Samper's announcement, are the announced measures to be enforced immediately? Are the constitutional reforms imminent? What is the country's future starting today?

[Martinez] Yes, evidently a state of internal disturbance throughout the nation was declared yesterday following the adoption of the measures by the Council of Ministers. The first two decrees have already been issued: one regarding measures against organized crime, and the other regarding the norms which deal with issues of internal and external public order, related to the national penitentiary system, which will be enforced immediately. These measures will be sent today to the Supreme Court for constitutional review. A third decree will be issued this afternoon regarding civilian safety.

[Arizmendi] Mr. Minister, what is the real reason for the transfer of Mr. Francisco [last name indistinct] to the maximum security prison in [name indistinct].

[Martinez] As you know, decisions regarding transfers are the sole decision of the director of the Penitentiary and Prison Institute of Colombia [INPEC]. We talked yesterday, and they correspond to security reasons of the INPEC director.

[Arizmendi] Will there be other transfers of individuals who are imprisoned today in the national model prison?

[Martinez] No. I have no information in that regard, but I have not been informed regarding that matter.

[Arizmendi] Mr. Minister, were the explanations that the INPEC director gave you, as your subordinate, that Galan was thinking of escaping or that there was an ELN [Army of National Liberation] plan to free him?

[Martinez] That corresponds to periodical evaluations made by the INPEC director, who is responsible for the internal security of the penitentiary and prison system, which led him to make some changes and transfers. The national government was informed of these changes.

[Arizmendi] The outlook given by Colonel Norberto Pelaez, which we analyzed with you two days ago, Mr. Minister, was critical, very critical, regarding the security of the prisons. What immediate steps will be taken to improve that situation?

[Martinez] First, a number of measures. The first of these is to foil any escape plans that might be taking shape within the penitentiary system. Very severe sanctions have been established for those who in the exercise of a public function contribute or facilitate an escape plan. If it involves a government employee, the penalties which are foreseen by this new law may deprive a person of his liberty for up to 50 years.

If it involves a crime related to drug trafficking, the existence of the security of the state, [word indistinct] public administration, and it involves a private citizen, then the penalty could reach 30 years. In addition, regarding any government official in the penitentiary system that is involved in an escape plan — which we commented on two days ago in Radio Caracol, had a minimum penalty of six months, which actually was an invitation to commit the crime — penalties of up to 15 years have now been established.

In addition, it has been established that anyone who is involved in this type of crime will lose all his reduced penalty benefits, or any reductions he may have received within the program for turning himself in to the law.

[Sarmiento] Justice Minister Humberto Martinez, thank you for being with us in "Caracol's Quarter Hour."

Interior Minister Interviewed

PA1708145595 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 17 Aug 95

[Interview with Interior Minister Horacio Serpa Uribe by Dario Arizmendi, Judith Sarmiento and unidentified reporters; place not given — live or recorded]

[FBIS Translated Text] [Arizmendi] Good morning, Mr. Minister. Welcome.

[Serpa] Good morning, Dario. How are you?

[Arizmendi] Fine, sir. Thank you. Was the word (?mamola) spontaneous?

[Serpa] Yes, completely.

[Arizmendi] Or is it one of those things you keep secret so you can bring it up unexpectedly?

[Serpa] No, I did not plan it.

[Arzimendi] The word is very Santanderian, isn't it?

[Serpa] Yes, it is a word very little used at present but which was used to be used quite frequently in the past.

[Arizmendi] Yesterday, Guillermo Rodriguez and I consulted two dictionaries of Colombian expressions to try to determine the precise meaning and origin of this

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word. What meaning do you attach to it? Definitive and flat denial?

[Serpa] It is a way of saying that a proposal is not accepted because it is exaggerated, inconvenient, and works to one's disadvantage. It is a way of saying we turn it down flat.

[Reporter] The academic way is to say: Completely wishful thinking.

[Arizmendi] Completely wishful thinking. President Ernesto Samper will govern until 7 August 1998.

[Serpa] Yes, yes. Right down to the last minute. He himself said so in his important speech.

[Arizmendi] Regardless of the turn of legal events?

[Serpa] Such proceedings will continue to be carried out according to the law. The government will follow all requests to the letter. President Samper will appear before the Congress whenever he is required to do so in the course of the investigations. That's clear. Nevertheless, we feel certain that he will emerge from the proceedings unscathed. We are sure he has always done his duty and that his actions have always been transparent.

[Arizmendi] Regarding Defense Minister Fernando Botero Zea's arrest, what do you think will happen in the next few days? The Prosecutor General's Office will have to make a decision about Botero's legal status in no more than a week.

[Serpa] We are all very grieved. We in the government are very sad to see this outstanding, distinguished, and honorable colleague in such a predicament. Nevertheless, we are encouraged to see how responsibly and courageously he has faced this situation. We hope his explanations will prove good enough for the prosecutors investigating his actions so that he may be released as soon as his legal status is defined. Even if he is not released, we must abide by the authorities' decisions. Let's wait for these dramatic events to end.

[Arizmendi] If the charges (?against him) are confirmed, what effect would this have on the Samper administration?

[Serpa] An inquest links a person to legal proceedings. This guarantees the presence and participation in the investigation of the person involved, which is necessary for trial. This is the meaning. Anyway, regarding the behavior of the person involved, the presumption of innocence has priority. In Colombia and every other country in the world, a person is innocent until proven guilty.

[Arizmendi] The Prosecutor General's Office has linked you to an investigation into the reported violation of legal summary secrecy within the inquest on Santiago Medina. Have you been summoned?

[Serpa] The prosecutor told me that an inquiry had been opened, not into a violation of summary secrecy, but into a disposition in the Penal Code on expected behavior by public servants as regards the disclosure of state secrets. I will place myself at the disposal of the Supreme Court of Justice's Prosecutors Anti- Extortion and Kidnapping Unit for whatever they deem pertinent.

[Arizmendi] When will these actions take place, Mr. Minister?

[Serpa] Today I am going to contact the chief of security of the prosecutors to fix the date on which I will render testimony.

[Arizmendi] Are you concerned regarding the prosecutor department's subpoena in this case?

[Serpa] I am concerned because it is the first time that I am to appear before a legal court to give testimony, although I did many times, for many years, when I was a judge, or when I was a trial lawyer. In any case, I am convinced my conduct has always been in keeping with the law. I do not want to start a public controversy on that particular issue. Opportunely, I will give all the explanations which the prosecutor's office wants.

[Arizmendi] What is the difference between an individual who reveals state secrets and a government official who does the same?

[Serpa] A government official must be more responsible, more careful, in handling official matters. That is mandatory behavior, which we government officials must keep with rigor and enthusiasm. However, in all my actions as a government official, I always try to stay within the law, and that is what I will try to show during the course of these legal proceedings.

[Arizmendi] Were you surprised by the attitude of your colleague, Dr. Fernando Botero, when he apparently departed from the score and revealed the contents of that so-called anonymous call?

[Serpa] Certainly, we never had a game plan, we knew that we had to give the citizenry an explanation regarding the statements that were being made, existing rumors and speculation, and with regard to charges that were already being aired, which came from the person who had a few days before given testimony. It was no longer a secret. It was already in the public domain. It was already in the air, and it is understandable that a person who is publicly accused is compelled to explain,

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to respond, which is what Dr. Fernando Botero did. It is behavior which I can always understand.

[Arizmendi] During our "Caracol's Topic" segment, we surveyed Colombian listeners on their favorite celebrity. You beat out the prosecutor general, the president, popular celebrities — athletes, singers, journalists — and even Pastrana. What's your feeling on all this?

[Serpa] That's what I'd like to know! [laughter]

[Reporter] Perhaps the debate in the Senate and your appearance on that Canal Tres program have something to do with it.

[Serpa] Of course.

[Reporter] You seemed happy.

[Arizmendi] Were you a champion of oratory in your student days?

[Serpa] No, but for a long time I have been [words indistinct]. [chuckles]

[Arizmendi] Do you study what you are going to say?

[Serpa] Yes, of course, I get ready ahead of time.

[Arizmendi] But you are also a thespian.

[Serpa] I had an experience when I [word indistinct] at the conscience court [words indistinct].

[Sarmiento] The gestures were undoubtedly something very studied in the debates. Your gestures, the moment you raised your voice...

[Arizmendi, interrupting] Your raised and lowered your hands.

[Serpa] It so happens that I really feel what I am saying. I feel it. The only merit of my speeches is that I believe in what I am saying, what I am rejecting, or I am affirming. I really feel the debate.

[Arizmendi] Where does your sense of irony come from? [Serpa laughs] From your father or mother? Is it because you are from Santander?

[Serpa] No, as someone from Santander, my words are...

[Arizmendi, interrupting] Hard-hitting.

[Serpa] I am tough in certain circumstances. I am frank and don't beat around the bush. As for my sense of irony, I am rarely ironic.

[Reporter] It is devastating.

[Serpa] Sometimes it comes out well. [laughter]

[Reporter] Your are criticized for that. Pardon me, Dario. Some lawmakers criticize you for it since they feel you are known as an intelligent, brilliant man, and as interior minister you must be a conciliatory minister. But when you call a lawmaker a slanderer, when you get into hot water with several leaders, that annoys others.

[Serpa] I did not use the word slanderer; I used the word liar, which is much more tragic and much more precise. [laughter]

[Reporter] You used the word [words indistinct].

[Serpa] The word lie was used. At a very inappropriate time, in reference to a totally absurd situation, the word was used. They took me to task, saying I had been happy and welcomed the resignation of Fernando Botero, who had been arrested an hour before the debate. His withdrawal from the cabinet was an extremely painful circumstance, and all his fellow ministers — me in particular — expressed our solidarity with him.

Throughout the campaign and throughout my tenure as minister, I have reportedly been in constant disagreement with Botero. As I have said from time to time, that was never true. What was clear was that on some occasions we did not share the same views on political issues and the like, but there was always great camaraderie and friendship and rapprochement. If two ministers were close during the first year of the government, because of their functions, it was Fernando Botero and me. In the chamber someone told a lie as big as house, and I said so.

[Arizmendi] What did you think of the vote by the Conservative bloc that allows Conservative ministers to remain at their posts?

[Serpa] I was satisfied; I was satisfied. It is good for the country, for the government, and for the Conservative Party. They share responsibility for handling official matters. In this time of crisis, of so many difficulties, this is undoubtedly good for Colombians.

[Arizmendi] Mr. Minister, Caracol predicted that there will be a (?national unity) cabinet [words indistinct] and that two or three ministers will be reshuffled in approximately two or three weeks. Major spokesmen and representatives from all walks of life will join the cabinet. That means a businessman, a labor leader, a worker. Is it prompted by the same idea of developing the appeal to the nation?

[Serpa] The president alone handles that topic. The ministers don't have any information on it.

[Arizmendi] But you confirmed it in Congress yourself on a couple of occasions?

[Serpa] No, no. What I said was that I was ready to come down to [words indistinct].

[Arizmendi] You said you were not stepping down.

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[Serpa, laughing] No, I step down when the president gives the word. Ministers are temporary. The only important thing is the chief of state. The rest come and go.

[Arizmendi] Expendable, as former president [words indistinct] said.

[Serpa] Expendable, really. The only one who is not expendable is the head of state.

[Arizmendi] Why did you call former Treasury Minister Rudolph Holmes a conspirator?

[Serpa] The topic of a conspiracy came up in the debate. I said that I did not know about a conspiracy and that there were a whole lot of coincidences. I finally recalled the antigovernment articles by Dr. Rudolph Holmes, and I realized how the Treasury Ministry was handled during his tenure. I felt it was very conspiratorial against popular classes. I told him that his very rigid and neoliberal measures conspired against the very poor in Colombia.

[Arizmendi] On the topic of the young minister, it is said in political circles that the former minister may be seeking other ministers to become vice presidential candidates.

[Serpa] Yes, many things are commented on. I believe that he will at least end up in the Senate.

[Arizmendi] Let us see, who are the other conspirators?

[Serpa] [laughs] I refuse to be involved in that; I simply noted the coincidences. All the people opposing President Samper's policies are joining forces in the hope that he will resign or that a power vacuum will take place. There will be neither that vacuum, nor will he resign.

[Arizmendi] Mr. Minister, do you believe that the press acts properly when it publishes absolutely everything it has obtained with a certain basis, at least as far as its origin is concerned, such as narcocassettes, photocopies of checks, faxes, and extracts from questionings? Or do you believe that this should be handled in a more restricted manner?

[Serpa] There should be freedom of the press. In no way should the authorities interfere in the media, but a social responsibility should exist such as outlined in the text of the National Constitution. It seems to me that it is not right to give prominence to instruments that are obtained through illegal means. For example, the person who surreptitiously records a telephone conversation commits a crime. To then highlight this crime in a newspaper report does not seem right to me. To disclose legal procedural evidence entails going against the secrecy needed to ensure the investigation is concluded. Secrecy in legal processes is not intended to favor those being investigated; on the contrary, it is to favor the administration of justice. Then comes a stage in the penal procedure in which the case is made public. I therefore believe that a lot of thought must go into this by those who handle the media. It is the media that is entrusted with shaping an opinion; therefore, this must be done with great and serious responsibility.

[Reporter] Mr. Minister, in several regions of the country cattle ranchers have requested more security organizations so as to guarantee their freedom. How can one define the vigilance cooperatives or vigilance associations? Are the two terms the same?

[Serpa] When one speaks of cooperatives, many people imagine groups of civilians armed with automatic rifles involved in activities that are exclusive to public forces. This is not the idea of community associations. These are founded on citizens' interests of giving support to the authorities, and as the president said yesterday, to render support in intelligence work, information work. But it will be the military forces, police forces, and the Administrative Department of Security [DAS] that repress crime, chase criminals, and render security to Colombians.

[Arizmendi] Mr. Interior Minister, what information does the government have regarding the conspiracy, plot, alleged attack against Dona Gloria Galan and her children?

[Serpa] We were informed of circumstances that could affect members of the Galan family.

[Arizmendi] From whom, Mr. Minister, the DAS? I mean the information the government obtained. [laughs] You seem puzzled.

[Serpa] [words indistinct] Specifically the Prosecutor General's Office.

[Arizmendi] Yes sir. [three-second break in reception]

[Serpa] No, no, I cannot speculate on that, but it is better to take all necessary precautions to prevent difficult circumstances from arising because anything can happen in this country.

[Arizmendi] What does the government know about the attack being prepared against the prosecutor general, his assistant, the prosecutor directors, and police chiefs?

[Serpa] We have also reflected on this and shared these thoughts with the prosecutor general. Doubtless because the prosecutor general is such a very prominent and outstanding person who has the difficult task of chasing criminals, it is likely that there are people who want to attack him. The other day there was the bomb episode

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— a very powerful bomb placed where he frequently passes in his car. Events such as these took place in the past and now as well. Therefore, what is important is to ensure that there is plenty of security, that all measures be taken so that Dr. Valdivieso and other high-ranking officials from the Prosecutor General's Office be well cared for, for the good of the country.

[Arizmendi] Deputy Prosecutor General Gustavo Salamanca spoke of the presence of foreign mercenaries working for criminal organizations. Has anything been found out about this?

[Serpa] No, I do not know anything more than what already is public knowledge.

[Reporter] Mr. Minister, you said that the president will not resign, and the president also said he will not resign in connection with the country's current debate. This seems politically good, and many seem to agree. But is this not at a same time a challenge to the justice system, to the Prosecutor General's Office, which should carry out its investigations without any sort of pressures? Can these authorities decide whatever they like?

[Serpa] The Colombian juridical system will have the assurance that all of us in the government, starting with the president, are at their disposal and very resolved to comply all decisions. We repeatedly say this because many people in the country have been mistakenly mentioning the president's resignation. It is then better to notify them that this is not going to happen.

Of course, the criteria of justice administration prevails anyway. Until such time as judicial or legal requirements are made, the president exercises a government task that is the result of an activity complied with according to the Constitution. President Samper's election was legitimate, and it will be complied with, I repeat, until the very last moment, as he said yesterday.

[Sarmiento] Mr. Minister, you said a moment ago you are glad the Conservative Party [PC] ministers have decided to stay in the government. In the document issued by the party in announcing this decision, it is suggested that if they were to leave, the government would collapse. The Conservatives say: If we were to adopt a hasty decision and withdraw at this moment, this could lead, I am citing the document, to institutional disorder and anarchy, and this has never been a banner of our group.

If this is true, if they are staying only to maintain institutionality, how does that leave the Liberal Party [PL] — the government party?

[Serpa] Fine.

[Sarmiento] The PL alone would be unable to govern at this moment?

[Serpa] It could do it, and it has done so in other circumstances, but in the face of the current situation it is important to have a government coalition. We are happy with this. Besides, the Conservative Party gives steadiness to the government function and the intelligence and capabilities of its representatives in the cabinet is very significant. This is why we are happy that the PC will remain in the government.

[Arizmendi] What about what you said last week that the PC will withdraw from the Samper administration sooner rather than later once Congress approves the government-opposition statute?

[Serpa] We would like to see the PC remain in the government feeling confident, aware, and decided, certain that they are contributing to good things in the country and that they contribute to government strategies. This way, its support and association will be very important in securing the state's best objectives.

It is evident that the system that calls for one side in the government and the other side in the opposition is being studied. Coincidentally, in a few minutes we will be meeting with a commission that is studying party reforms in that direction. We think that if the opposition enjoys guarantees and if the existence of an opposition enhances democracy, then we must work on that.

[Reporter] Mr. Minister, President Samper yesterday announced an anti-kidnaping struggle and spoke about the creation of an anti-kidnaping czar. What will be the profile of this czar? Will it be a politician, a soldier, an economic sector man? Is there any person in mind?

[Serpa] This is an important idea of President Samper. He has in his mind the profile of this czar. He has spoken to us about this idea. He is very concerned with kidnapings. He will be at the head of anti-kidnaping actions, just as he was at the head of the actions against the drug cartels. This will work out. Legislation on the anti-kidnaping struggle has deteriorated much because of some extrajudicial decisions. The government will surely review this. In addition to this there will be [words indistinct] very important work.

[Reporter] Military and political?

[Serpa] He must be very skillful in investigative work, in legislative matters, and be able to work with all the commissions that fight crime to be able to fight people who this year kidnaped 700 persons, imagine, in Colombia.

[Reporter] Carlos Alonso Lucio said in this news program, and later at Congress, that former President

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Cesar Gaviria is one of the plotters, because the people today most bitterly criticizing the government are from his group. What do you know about this?

[Serpa] Nothing at all, and we do not speculate on this either. We very much admire Dr. Cesar Gaviria. We know he backs his country, his government, and his party.

[Reporter] Has President Gaviria made any private gesture of support to President Samper, a telephone call, a personal note?

[Serpa] I am sure he has, but I don't know about that.

[Arizmendi] What do you think about President Samper's credibility?

[Serpa] I think it is very good. The people are seeing that the president is governing and not creating smokescreens. Yesterday's disturbance status decision was well received by the country. The people see President Samper at the head of the nation's important matters. This helps him a lot.

[Arizmendi] The growing violence is nothing new, Mr. Minister. Why has this appeal and the call for a national agreement against violence to be headed by the president himself come now and not three or four months ago?

[Serpa] It is not new. Unfortunately, ours is the world's most violent country. But crimes, in particular crimes that harm people the most, have been increasing. Today is 15 August and already 20,000 people have been assassinated. This is a terrible increase. We have already commented on kidnapings. The country is being threatened with uncontrolled violence.

In addition, the guerrillas have reacted to President Samper's peace offer by unleashing atrocious violence. Paramilitary activities have increased. Mass killings in Uraba and other areas of the country last week were terrible. There have been incidents of street violence in the past few weeks. University girl students have been raped. Young boys have been both victims and perpetrators. They are used by criminals to perpetrate crimes, because they are protected by the imputability clause, a situation which will now be corrected with the state of disturbance that has been decreed.

All of this prompted the government to decree the state of internal disturbance. Understandably, such a measure has been taken at just the right moment.

[Arizmendi] Mr. Minister, one afternoon at Caracol, you, under very uncomfortable circumstances, criticized the prosecutor general and the deputy prosecutor general. Later, during the debate at the Senate, you apologized for what you said in Caracol and for what you said during the news conference against the prosecutor general and the deputy prosecutor.

Listening to you, we got the impression that you were saying the deputy prosecutor was to blame for the leaks at the Prosecutor General's Office. What made you change your mind to the extent that you now vigorously defend the Prosecutor General's Office?

[Serpa] I made some public remarks after I learned about the deputy prosecutor's words to a group of newsmen about the meaning of leaks. Later, I spoke to the prosecutor general, who told me this was an institutional off-the-record [previous three words in English] meeting, which Prosecutor General's Office officials regularly hold with newsmen. Nevertheless, this meeting was publicly reported on. I made a wrong remark. I said the deputy prosecutor's office was operating like a loose cannon. This remark, of course, upset the prosecutor general, who said he had the office under full control. I have no doubt about that.

I saw I had made a mistake, so I corrected it in public. I did not do what is frequently done, that is to say, make mistakes in public and then apologize in private. I made a mistake and then apologized to the country in front of a large audience.

[Arizmendi] Mr. Minister, we know you must leave now. One last question. What do you know about the assassination of one of your assistants in the Interior Ministry?

[Serpa] A very sad thing. A man who worked as driver for the Ministry's advisers was gunned down yesterday in the most callous manner imaginable. This is an evidence of the crime and violence that prevails in the country.

Apparently, when in the morning he was on his way to pick up the persons for whom he was working, he had an incident with some motorcycle riders. There was a dispute of some sort. The riders accused him of crossing in front of them, then fired on one of the car's tire to force him to stop, and then, when the driver got out of his car, they gunned him down. This is evidence of a state of absolute and wanton crime. We are very sad and upset because of this absurd killing.

[Arizmendi] Is this crime some sort of a plot?

[Serpa] No, not at all.

[Arizmendi] Mr. Minister, thanks for being with us this morning.

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[Serpa] Thanks very much to you all. I am very glad to have come here. (endall) 171200 roq/robinson/cn srco1708.05e 17/1719z aug

Former Defense Minister Botero Testifies

PA1808004095 Madrid EFE in Spanish 1628 GMT 17 Aug 95

[FBIS Translated Text] Santa Fe de Bogota, 17 Aug (EFE) — Former Defense Minister Fernando Botero Zea, who was arrested last Tuesday charged with knowing about funds contributed by drug traffickers to President Ernesto Samper's electoral campaign today rendered testimony about the handling of secret funds in U.S. bank accounts.

According to official sources, Botero gave a "faceless" prosecutor (whose identity is kept secret for security reasons) details on the movements of an account opened at a branch of a U.S. Chase Manhattan Bank in New York.

Botero, former campaign manager in the elections in which Liberal Party Candidate Samper was elected president in June 1994, resigned to his post as defense minister on 2 August, after being accused of knowing about the money contributions from the Cali Cartel.

Botero was implicated by Santiago Medina, former treasurer in Samper's campaign, who was arrested on 26 July.

In his deposition, Medina said that Botero Zea handled a secret bank account called "Project 2000," in which deposits were made in addition to the legal deposits. Botero Zea is now under investigation, charged with illegal enrichment in favor of third parties.

Nevertheless, the deposits made in the secret account have not been identified as donations from drug traffickers, but as possible contributions from multinational donors that were not registered in the records delivered to the electoral authorities.

Botero resigned as defense minister after he had arrested the three main capos of the Cali Cartel (Miguel and Gilberto Rodriguez Orejuela and Jose Santacruz Londono) and directing the military operations that forced three other drug trafficking leaders in two months.

Santiago Medina, however, has implicated him in the scandal. Botero said he resigned to facilitate the investigations and in order not to hinder the government's work.

Views on Samper's First Year Surveyed

95CA0338A Santa Fe de Bogota EL TIEMPO in Spanish 6 Aug 95 pp 3A, 19A

[FBIS Translated Text] A year after his assumption of the presidency of the republic, there is a smaller number of persons with a good image of Ernesto Samper, and a larger number disapproving of his performance.

Whereas Samper arrived in the government with 60.4 percent of the opinion in his favor, today the percentage of those with a good image of the chief executive is 33.8, according to the results of the poll conducted by Yankelovich for EL TIEMPO (see first technical record).

Similarly, while at the beginning of his presidency nearly half of those polled (43.7 percent) gave the president a respite, expressing no opinion of his performance, today the results are divided between those approving (47.6 percent) and those disapproving (46.9 percent).

If the margin of error, which is 3.1 percent, is taken into account, it may be claimed that a tie has occurred here.

As the graphic comparing the four measurements made by Yankelovich for EL TIEMPO indicates, the number of persons disapproving of Samper's performance has risen gradually, until it now stands at nearly half the number of those polled.

This graphic also shows that the percentage of those approving of the way in which the president has carried out his work during this first year has remained almost stable.

Separately

As for the management applied to specific areas, it is observed that the president fails in everything except the battle against the drug traffic and relations with the United States. This management squeaks by with ratings of 3.55 and 3.13, respectively, on a scale of one to five.

Unemployment, urban violence, inflation, and the guerrillas are the areas in which the public rates him lowest.

These results agree with those from the open question asked of the 1,000 persons polled about the worst and best decisions of Samper's presidency.

For example, according to 58 percent, the battle against the drug traffic is the government's best decision during its first year. To 25 percent, the worst mistake is the lack of firmness toward the guerrillas.

Nevertheless, in response to the question "do you think that Carlos Holmes Trujillo's departure from his office as commissioner for peace represents a failure for the

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government's peace policy?," 57 percent think it does not, while 31 percent say that it does.

According to the poll results, these two issues, peace and the drug traffic, are the ones that have marked the first year of this administration.

When asked the open question "what do you consider the president's principal proposal?," 25 percent answered that it was putting an end to the drug traffic, and 22 percent claimed it to be achieving peace.

The government's management in generating jobs (one of the Samper government's fundamental proposals) received the lowest rating (2.43 percent).

Seven percent replied that neglecting employment has been the worst mistake.

And the public considers this important, because 21 percent believe that dealing with it is the government's principal proposal.

What do think think the government's best decision during its first year was? (figures are in percentages)

Battle against the drug traffic	58
Battle against inflation	3
Battle against the guerrillas	2
The good intentions of the Social Pact	2
Others	16
None	16
Don't know/no answer	6

Poll:Yankelovich. Graphic: Editorial Design/EL TIEMPO

Poll: Samper's Image

Situation of the Country (figures are in percentages)

	Aug 94	Nov 94	Feb 95	May 95	Aug 95
Good	6.9	10.1	8.5	5.2	4.7
Fair	59.9	58.6	65.0	58.0	57.4
Bad	32.7	31.0	26.0	36.2	37.7
Don't know/no answer	0.5	0.3	0.5	0.6	0.2

Performance of the President (figures are in percentages)

	Aug 94	Nov 94	Feb 95	May 95	Aug 95
Approve	46.6	54.3	66.2	55.5	47.6
Disapprove	9.7	23.1	23.9	37.0	46.9
Don't know/no answer	43.7	22.5	9.9	7.5	5.5

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Image of the President (figures are in percentages)

	Aug 94	Nov 94	Feb 95	May 95	Aug 95
Good	60.4	49.5	56.2	41.8	33.8
Fair	24.8	38.3	37.8	48.3	50.2
Bad	3.0	6.7	3.0	8.7	15.0
Don't know/no answer	11.8	5.5	2.9	1.2	1.0

Source: Yankelovich Acevedo Associates. Graphic: Editorial Design/EL TIEMPO.

Rating for Management of: (figures are in percentages)

Drug traffic	3.55
Relations with U.S.	3.13
Environment	2.97
Relations with Congress	2.94
Respect for human rights	2.91
Relations with Conservatives	2.83
Education	2.82
Housing construction	2.77
Health	2.74
Guerrillas	2.68
Inflation	2.61
Urban violence	2.35
Unemployment	2.34

Poll: Yankelovich. Graphic: Editorial Design/EL TIEMPO.

What do you think the government's worst mistake has been during its first year? (numbers are in percentages)

Lack of firmness with the guerrillas	21
Corruption in the government	16
Not meeting the 18 percent inflation goal	9
Neglect of unemployment	7
Promising things that it cannot achieve	6
Allowing itself to be manipulated by the U.S.	6
Mismanagement of education	3
Others	19

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Lack of firmness with the guerrillas	21
None	9
Don't know/no answer	11

Poll: Yankelovich. Graphic: Editorial Design/EL TIEMPO

First Technical Record

Date of execution: 31 July to 3 August 1995. Poll title: President Samper's Management. Principal: EL TIEMPO. Executed by Yankelovich Acevedo & Associates. Persons polled: Males and females from all strata over age 18. Methodology: Random telephone sampling in the cities of Bogota, Medellin, Cali, Barranquilla, and Bucaramanga. Total polled: 1,000. Total maximum margin of error: 3.1 percent.

Opinions on the Drug Traffic

If it should be proven that money from the drug traffic entered Ernesto Samper's campaign, 73 percent of those polled think that the president should resign.

This is revealed in the poll conducted by Yankelovich for EL TIEMPO (see second technical record), in which people also were asked whether they thought that Samper would complete his four years in government. A total of 52 percent answered yes, and 41 percent, no.

In response to the question "do you think that President Samper knew about the money from the drug traffic in his presidential campaign," 48 percent think so, 44 percent think that he did not know, and 8 percent either do not know or have no answer.

Males are more incredulous than females, because 57 percent of the former and 40 percent of the latter believe that Samper was aware of the presence of drug traffic money in his campaign.

Nevertheless, when asked their opinion as to whether the president should resign, a tie occurred, because this was the view of 76 percent of males and 70 percent of females, with a margin of error of 4.4 percent.

However, over half (54 percent) think that campaign directors concealed from Samper information about the infiltration of money from the drug traffic, while 39 percent think not.

Do you think that President Samper's campaign directors concealed from him information about the infiltration of money from the drug traffic? (figures are in percentages)

Yes	54
No	39
Don't know/no answer	7

Poll: Yankelovich. Graphic: Editorial Design/EL TIEMPO

If it should be proven that there was drug traffic money in Samper's presidential campaign, do you think that he should resign? (figures are in percentages)

Yes, he should resign	73
No, he should not	24
Don't know/no answer	3

Poll: Yankelovich. Graphic: Editorial Design: EL TIEMPO

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Do you think that President Samper will last for his full four years in government? (numbers are in percentages)

Yes, he will last	52
No, he will not last	41
Don't know/no answer	7

Poll: Yankelovich. Graphic: Editorial Design/EL TIEMPO

Second Technical Record

Date of execution: 1 August to 3 August 1995. Poll title: President Samper's Management (Current). Principal: EL TIEMPO. Executed by: Yankelovich Acevedo & Associates. Persons polled: Males and females from all social strata over age 18. Methodology: Random telephone sampling in the cities of Bogota, Cali, Medellin, Barranquilla, and Bucaramanga. Total polled: 500. Total maximum margin of error 4.4 percent.

Esguerra Views Role as Defense Minister

95CA0339A Santa Fe de Bogota EL ESPECTADOR in Spanish 9 Aug 95 p 7A

[Interview with Defense Minister Juan Carlos Esguerra Portocarrero; date and place not given]

[FBIS Translated Text] Juan Carlos Esguerra Portocarrero imagined anything but being defense minister. A man who lives for academia, immersed in law, will now have to leave the training of lawyers at Xaverian University to devote himself to guiding members of the military and police. However, he does not feel incapable of meeting the new challenge, because "both activities are based on complying with one's obligation and with the law," and that is his philosophy.

Following is the first interview that he granted as Fernando Botero Zea's replacement, at Narino Palace yesterday. He will take the oath of office next week.

[EL ESPECTADOR] The outgoing minister's policy was characterized as a hard-line one. Will you continue that trend?

[Esguerra] There are overly harsh terms that I dislike on principle. I don't like to talk about war but, on the other hand, I do like to discuss the obligations binding on the Defense Ministry, the Military Forces, and the National Police. They have a purpose, with resources, instruments, and obligations, clearly established in the National Constitution: that of deterrence, and using all the instruments within their reach to achieve peace, while maintaining public order, and guaranteeing the security of Colombians insofar as possible.

[EL ESPECTADOR] Why did you accept the post, and what are your priorities?

[Esguerra] There are several things that led me to accept, after meditating for several hours on this particular point. On the one hand, there is a lesson that I learned from my father, which I heard repeated many times: honors, responsibilities, and high positions are not to be sought in life, but cannot be rejected. The second reason is that I want to have full moral authority, so as to be able to tell my two male children, one 11 years old and the other four, in the future, that they have the obligation to render their military service. If I do not render mine, I would lack that moral authority for telling them this. Besides, I have been a man from academia. I have spent 22 years teaching law, training or helping to train my students, and attempting to inculcate in them the sense of fulfillment of duty: that whenever duty calls a person, he must be ready to say "present," regardless of how difficult and complicated the circumstances may be. That prompted me to accept this challenge and this responsibility, which I was not expecting. It had never entered my imagination, but that is how things happen in life.

I believe that there are many priorities. I want to continue talking with the president of the republic, and with the high military and police commanders, before I can set an agenda of priorities. But, fundamentally, they are the completion of the tasks imposed by the Constitution on the ministry for which I responsible; and, naturally, the implementation of the policies outlined by the government. They pertain to national defense, the guarantee of public order, the head-on battle against the drug traffic, and a search for peace through the expedients of deterrence and persuasion in the case of the guerrilla movement.

[EL ESPECTADOR] You are a jurist, not a politician. Is this appropriate for the country in the Defense Ministry?

[Esguerra] That was what must have prompted the president of the republic to select my name as the one for national defense minister. It is true that I have more experience as a jurist than as a politician. I come from

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the world of law, I belong to the world of law, and I want to run my Defense Ministry as part of the world of law. The law sometimes has to use the instruments of force to attain its goals, but that is part of the law. What is important is that this be achieved within legal channels.

[EL ESPECTADOR] Will you carry out the dismissals announced by the Attorney General's Office against members of the military, such as General Alvaro Velandia Hurtado?

[Esguerra] Insofar as the Constitution and the law impose this on me. I repeat, I am a man of law, a man of laws, and a strict obeyer of the law, just as I hope the people will be. I have been engaged in training lawyers in the conviction that this is how one must act under the rule of law.

[EL ESPECTADOR] Do you approve of the fact that this general has been decorated despite his having committed a crime against a woman?

[Esguerra] I do not wish to talk about what happened in the past, among other reasons, because I lack the evidence for expressing an opinion on the matter. In any case, what I do want to make clear is that there will be total, full compliance with the law, with the regulations of the Military and Police Forces, and with what they stipulate as the reasons that may prompt a decoration to be conferred upon someone.

[EL ESPECTADOR] Do you agree that the Cali Cartel is finished?

[Esguerra] I want to talk with the commanders, so as to be sure that the cartel is finished. I believe that what this was intended to mean is that the head of the Cali Cartel is finished, with his top echelon. This is clearly evident to Colombians. If more steps remain to be taken in that direction, we shall take them decisively, and as soon as possible, because what is involved is putting an end to the drug traffic.

[EL ESPECTADOR] After your appointment, can we expect a shakeup in the top level of the Armed Forces?

[Esguerra] No, I do not think that this can be expected. It seems to me that it would be irresponsible on my part to make an assertion of that kind, and to be hasty in this respect. The top military echelon and the organization of the Military Forces in general have a great deal to show and to teach the country. I think that the military profession is one of the beautiful, exemplary things that exist in the republic, and that we cannot end, or even think of ending it with a stroke of the pen. That military profession must be respected in all cases, and this means that there is a system for promotions, a system for tenure, and a system for retirement; and all of them will be implemented.

[EL ESPECTADOR] To what are you committed?

[Esguerra] I have a commitment to the country to give it all my effort, all my devotion, all my motivation, all the knowledge that I have, and everything of which I am capable, in the execution of a task for the good of Colombia. It is my hope that, at the end of this administration, I may receive the benevolent judgment of Colombians and of my family.

[EL ESPECTADOR] How will you act toward the United States?

[Esguerra] The ties with institutions, agencies, officials of the United States Embassy, and, possibly, with the government of that country, will be respected and maintained. We obviously are allies in many respects, and particularly in the battle against the drug traffic.

[EL ESPECTADOR] The major concern of Colombians is security. Do you have innovative plans?

[Esguerra] Thus far, there are no innovative plans. The hope for results in the area of security is a hope that we all have: that, very soon, all of us and our children will be able to walk on all the streets in Colombia by day and night without any risk, and with the protection given by the forces of order. I shall do my best to try to make this a reality.

[Box, p 7A]

Commanders Offer Him Support

The commander of the Military Forces, General Hernando Camilo Zuniga, guaranteed the support of his men for the new minister, whose appointment he described as "excellent." He claimed: "Doctor Esguerra is widely known as an eminent jurist. I have known him since his distinguished participation in the National Constituent Assembly, as a professional of tested virtues, with a lengthy career as a university professor. He will find in the Military Forces a group of closely unified men, aware of their mission and their responsibilities, and always ready to contribute courageously to the minister insofar as his instructions are concerned."

The Army commander, General Harold Bedoya, commented: "It is a very respectable decision, highly esteemed and well received by the National Army." However, he noted that he had no "special comments" on the new minister.

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Choice for New Defense Minister Lauded

95CA0339B Santa Fe de Bogota EL TIEMPO in Spanish 9 Aug 95 p 4

[EL TIEMPO editorial: "A Wise Appointment"]

[FBIS Translated Text] When a candidate is sought for a particular position, sometimes minds are confused and it is impossible to determine or find the exact type of person. With the vacuum created by the retirement of Doctor Fernando Botero from the Defense Ministry, a prolonged interval was expected for finding his successor. Present there, almost as if put in place by divine plan, was an impeccable man like Juan Carlos Esguerra who, in a patriotic gesture, has agreed to take command of the Armed Forces under President Samper's orders. It was difficult to consider him, and even more difficult to imagine that he would accept. But Doctor Esguerra, in simple, calm comments, explained the civic obligation not to reject a position that is always complex and today, more than ever, almost distressing.

Doctor Juan Carlos Esguerra has exercised his brilliant career in the field of legal disciplines. With his demanding studies, his clear mind, and the tradition of a family that has honored the nation and the laws, he arrives in the Defense Ministry and commits himself to complying with the official mandates, respecting the law, and ensuring fulfillment of what it orders for defense of the life, honor, and possessions of the citizens. He will act as the minister of defense and of national unity. It is a wonderful combination, the objectives of which, if attained by the present government, would indicate a breakthrough that is not only favorable, but necessary for the continuation of the institutional system.

We are certain that the new minister will be a guarantor of hard work and fulfillment of his obligation. He has done that in every act of his life and, when he assumes command of the national defense, he will have all the more reason to comply with that most admirable rule.

Men like Doctor Esguerra are not very plentiful, it is true, but they exist in the country, and can be found when a study is made of the names of prominent persons who excel, with merits and qualifications making them suitable to serve in the administration's high-level positions. In the current situation, the president has sufficient fellow countrymen with the necessary qualities to comprise a list of outstanding persons who can accompany him in the near future.

Ecuador

Chief Justice Orders Dahik To Stand Trial

PA1708201295 Quito Voz de los Andes in Spanish 1700 GMT 17 Aug 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] The Ecuadoran Government may be heading for political turmoil in the wake of a ruling by the Supreme Court of Justice to bring Vice President Alberto Dahik Garzzosi to trial for the mismanagement of government funds. The government of President Sixto Duran-Ballen is also the target of harsh accusations of negligence with regard to an energy crisis that may leave Ecuador without power if it does not rain soon in the region where the Paute Hydroelectric Dam is located.

The corruption scandal involving the three state branches is on the brink of turning into a political crisis after Supreme Court Chief Justice Miguel Macias Hurtado announced last night he will begin an interpellation [juicio politico] against Dahik. Macias Hurtado told journalists that, considering that offenses that can be investigated ex officio have been described, he ordered the start of the process and the preparation of a file against economists Alberto Dahik and Juan Mario Crespo Burgos and Ms. Gladys Isabel Merchan Merchan.

The Supreme Court ruling, which at present does not call for a preventive arrest, took place after two opposition deputies accused Dahik and his private secretaries of illicit enrichment.

Rafael Cuesta and Xavier Neira, deputies of the opposition Social Christian Party [PSC], based their charges on certified current account statements from one of the country's five major banks, which showed a balance of over $77.6 million. The names that appeared on one of the accounts were that of the vice president and Ms. Merchan.

Macias made the decision after he summoned Chief Prosecutor Fernando Casares and Walter Guerrero Vivanco. He appointed the latter as a court-appointed defense lawyer. He ordered the start of the legal actions, adding to the charges and the current account statements that were submitted. Take every legal action and undertake any proceeding that may serve to clarify the matter and affix responsibility, Justice Macias added.

Vice President Dahik, the architect of the economic reform program, accused the deputies of corrupting private banks officials to gather information on the government's secret accounts. By violating bank secrecy

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and corrupting private bank officials, two deputies were able to fraudulently remove the balance statements of two officials of the vice president's office who handle its secret accounts, Dahik stated during a news conference.

[Begin Dahik recording] There are two deputies who claim that the proof of my dishonesty is that the bank statements of my secretaries, Juan Mario Crespo and Ms. Gladys Merchan, show high balances that they cannot justify with their income. They are already asking for the arrest of the vice president. This is one example of the kind of government and kind of political leadership that they want to give the Republic of Ecuador. We are going to examine each and every one of the transgressions and abuses that have marked this case and tell the truth, and we are going to give you, journalists, copies of the letter I addressed to the chief justice.

In the first place, accounts of the two persons I have mentioned were illegally and deceptively removed, and bank secrecy principles were violated. Private bank officials were bribed.

In the second place, the law was again violated, power was abused, a judge was used, and the political clout that exists in the Judicial Branch was utilized. This confirms my charges that the Judicial Branch is being used politically and confirms what I have said: that the political reform proposed by the president is necessary for the country. This confirms that a justice, whose inclinations, subordination, and political obedience are very much known in the city of Guayaquil, appeared, intimidated the bank, and forced the bank to ratify bank accounts deceptively taken from the bank as legitimate.

They went with these documents to the president of the Supreme Court of Justice, clearly manipulating and misusing judicial functions. [end recording]

Vice President Dahik said: These accounts belong neither to my assistants nor to me. They are reserved accounts for expenditures by the Office of the Vice President, and they have been audited by the Comptroller General's Office, the vice president added.

Meanwhile, the Ecuadoran Congress plans to assign next week a special commission that is to analyze the feasibility of a political trial against Dahik. This trial could end up with his dismissal.

Five opposition political parties have called for putting the vice president on trial for bribery and abuse of authority charges, offenses that seriously injure national honor.

These confrontations are taking place at a moment when Ecuador is being threatened by an intense drought in an area near the country's most important hydroelectric dam. This drought is threatening to leave Ecuador in the dark.

Opposition parties have accused the government of being responsible for the energy crisis, for not having adopted preventive measures, and for having failed to create alternate energy sources.

This week the government increased electric rationing by extending electricity cuts to 10 hours daily. The government has asked television channels and radio stations to end their program at 2300 and has prohibited all night shows.

Paraguay

President Names New Vice Defense Minister

PY1708120595 Asuncion NOTICIAS in Spanish 5 Aug 95 p 14

[FBIS Translated Excerpt] In a surprise move, President Juan Carlos Wasmosy has named Brigadier General Hector Ocampos Diaz as vice defense minister. Ocampos Diaz replaces General Francisco Vera Alarcon. The announcement was described as a "surprise" by analysts and politicians. Vera Alarcon was second in command of the Air Force, and it was believed he would succeed Air Force Commander in Chief General Cesar Rafael Cramer, since he is allegedly very close to the controversial commander in chief of the Army, General Cesar Lino Oviedo. Government House sources have announced that there will be important announcements at the end of the year. [passage omitted]

Wasmosy Views Administration, Issues

PY1708023095 Asuncion RPC Television Network in Spanish 0157 GMT 16 Aug 95

[Interview with President Juan Carlos Wasmosy by Bruno Masi at the presidential residence and aired on the "Masinformes" program — live or recorded]

[FBIS Translated Text] [Masi] A very good evening, President Wasmosy, and thank you for giving us this time for "Masinformes" and for Channel 13.

[Wasmosy] Thank you very much; it is I who must thank you for my being here.

[Masi] Well, what is your opinion of your government on the eve of the second anniversary of your becoming president?

[Wasmosy] I could give you a long explanation of the works that my government has constructed and is constructing, and the projects that have been implemented, but I do not believe that this is the time for such an

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explanation because we constantly report on our works. However, we do not spend money on publicity or on recounting what we are doing. Maybe this is a defect.

But I am interested in taking advantage of the time that is being given to me and of the question that has been asked. I believe that the works of my government are important because they are aimed at consolidating democracy and accelerating the economic and social development of the country.

I believe that in this respect no one can doubt my intentions. For example, we have unrestricted freedom of the citizenry, economic freedom, freedom of worship, religious freedom, and a vast freedom of the press.

The executive branch is making a truly enormous effort to adjust all its actions to the Constitution and the laws, even though we have to acknowledge that our legal system is incomplete and, in some cases, does not adapt or adjust to modern times.

But this effort is very worthwhile because it is the government that has to set the example. It does this, first, by showing that it obeys the Constitution and the laws so that the people will understand that there is no other way to guarantee peaceful coexistence, to improve our democracy, and to ensure the rule of law and compliance with legal norms.

[Masi] Mr. President, what were the main difficulties that you had to face during the past two years?

[Wasmosy] The main difficulties that the government has had to face derive from a lack of experience in implementing democracy, which is a logical consequence of our very short experience in rationalizing our way of living in democracy.

This causes all types of difficulties. For example, the infrequent use of dialogue and reconciliation prevents resolution of many conflicts in our civilian society, particularly the conflicts of political organizations, which are even reflected in Congress.

One must take into account that it takes a lot of work and sacrifice to activate government policies with a legislative branch in which the opposition has a majority. This in itself would not be a difficulty because it is a situation that comes within the framework of a democratic system. But in our Congress there are divisions within the blocs themselves, and this makes it difficult to harmonize our respective tasks.

In this respect, we must learn to prioritize national interests before sectorial interests, which of course are understandable, but they should be overcome within the party itself.

The anxiety and the impatience of the people is another obstacle that we frequently have to face. All of us knew about the existence of various types of problems within our society, problems that today are emerging as a consequence of the current freedom. But our people, who are enjoying that freedom, seem to want to count on the providential intervention of something like a superman with the capability of immediately resolving all the problems yesterday. This is a contradiction that also generates problems for the government.

[Masi] Why does it generate problems for the government, Mr. President?

[Wasmosy] It seems that we still have to learn that resolving problems in a democratic system is a responsibility and a task that all of us must share. For example, it cannot be expected that the government resolve the salary system for teachers all at once or in one fiscal year because this would mean that other urgent requirements would not be attended to.

[Masi] Was there the danger of a violent interruption of the process during the past two years, Mr. President?

[Wasmosy] Well, if you are referring to what we call a coup d'etat by the Armed Forces, I would like to categorically tell you that such a danger never existed. On the contrary, the Armed Forces have adjusted to the democratic system very well, and they have faithfully interpreted the role that they have to play as an institution. And there is no point in questioning its existence because it is an institution that figures clearly in our Constitution.

But, in order to be consistent with all that I have said, I would now like to add that until we assimilate the values and the logic with which the democratic system functions, while we continue to make thoughtless protest our favorite sport, while we let ourselves be overcome by an irresponsible fanfare, and while we refuse to admit that democracy and development are obtained with uninterrupted effort and daily sacrifice, the process will be endangered.

[Masi] Would a united Colorado Party with a firmer leadership have been a more solid support for your government, Mr. President?

[Wasmosy] Well, I would seem incoherent and I would not be acknowledging reality if a lack of political support affected me in my role as president. This is so because I even find that support in the opposition itself — I would say within the most representative, responsible, and mature opposition. Thus I am not allowed to use this excuse to justify myself.

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Masi, the truth is that since the beginning of my administration, I have had the enthusiastic support and the understanding of my own party, whose leadership has shown sufficient firmness because it has constantly supported my government. The most important thing is that I have always thankfully acknowledged the results of the voting, and this has been demonstrated more than once.

Now, it is possible, and it may even be necessary, that with regard to much-debated matters such as privatization of state enterprises, for example, my party express opposition, but this only demonstrates the internal freedom to the right to dissent within the Colorado Party, whose leadership, I repeat, has always supported me with an ample majority.

[Masi] Mr. President, do you believe that unity within the Colorado Party will be achieved after the internal elections have been carried out?

[Wasmosy] Well, I believe that the democratic system itself is the only way with which to achieve unity. In other words, unity must be achieved as a consequence of a respected electoral process, as the result of clean elections, and with our commitment to respect the will of the Colorado people.

It is the path that we Colorados have to follow because an imposed unity is not possible now, and it seems that not even an agreed upon [laughing] unity is possible now. That is the way I see it.

The unity that the Colorado Party, and all politicians, needs is the unity that is based on respect for the will of its people, on respect among party members, on respect for the ideas of those who think differently, and on respect for the mechanics of democracy.

[Masi] How do you perceive the internal elections within the Colorado Party?

[Wasmosy] I believe that at this time the apparent alliance between the Liberal Party and the National Encounter Party, far from being a problem, is an incentive for new victories for our party, because there will now be an interest for unity.

Many times, in internecine struggles such as the war with Bolivia, the Colorado Party, even though it was not governing at the time, joined up to defend a greater interest or a sovereignty that was in danger.

The same thing will necessarily occur with the Colorado Party. When it sees that there is an alliance within the opposition, I believe that one cannot but think that the party's internal factions will unite to compete in an internal election with clear and transparent lists and rules of the game, which is the only way that the legitimacy of a victory by the winner can be respected.

[Masi] Mr. President, how do you take the criticism of the Colorado Reconciliation Movement, especially the criticism of the movement's leader, Luis Maria Argana?

[Wasmosy] Well, I believe that if the criticism continues to be issued within the framework of insults and of criticizing just to criticize or of looking back instead of ahead, then it does not affect me, and I give it absolutely no importance.

Now, if criticism brings alternatives for solutions or better programs than the government has implemented under current circumstances, then, yes, I could take it into account. But I say to you, Masi, do not let us lose time with people who belong to the past.

[Masi] How, Mr. President, would you define the current times, with the financial scandal we are facing, and with all the economic problems that stem from that scandal?

[Wasmosy] Well, what you call a financial scandal is in truth a cleaning up process being experienced by a segment of that sector that was incapable of understanding and seriously acknowledging that my government has decided to perfect the nation's financial system.

For it will be impossible to maintain all the growth programs if the country does not have a strengthened banking and financial system, a system that is competitive and transparent, and that will be able to accompany the great transformation that we are beginning.

The high cost of financial intermediation does not help in reducing interest rates, which should come down in the same measure as inflation is controlled and reduced, something that has not occurred due to the lack of efficiency on the part of some of the operators.

Regarding the problems that have arisen due to the intervention in banks and other organizations, it must be understood that the difficulties come from the quick formalization of a particular part of the economy, which is seeking financial investment that is formal and that can be payable on demand, and which wants the use of informal lines credit, such as the use of bearer checks, to be eliminated.

These two things — the formalization, on the one hand, and the elimination of the check as a credit instrument on the other — have for the moment constricted the circulation of assets, but this problem will be resolved very soon.

[Masi] Mr. President, do you believe that the financial whitewashing will be the solution for this problem?

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[Wasmosy] Well, the financial whitewashing can help to resolve a part of the informality that exists within the economy and which also has repercussions on that sector.

Moreover, the position of the financial operators themselves has convinced us that the so-called financial whitewashing in itself is not a solution. We are debating other measures that will be able to help.

[Masi] Mr. President, do you believe that the opposition will support the government's effort and policy to calm the market?

[Wasmosy] I am convinced that it will. We have the proof in the various meetings with several sectors of the opposition to analyze measures that are needed for current problems, to normalize the financial sector and reactivate the economy. As you know, these meetings led, after long hours of debate and discussion, to the signing of a document on 10 August that expresses our agreement and also defines several courses of action.

[Masi] Do you believe that the measures that have been adopted in the financial sector are the most opportune and the most adequate ones, Mr. President?

[Wasmosy] Well, I will say that the Central Bank has implemented three measures, among others, that merit attention.

First, providing financial aid to facilitate the solvency and the liquidity of the financial system as a whole. Many persons believed it was to save the banks or the directors of the banks that experienced intervention. Moreover, today the public knows that the persons involved are being tried in the courts, and many of them are locked up in Tacumbu [Asuncion's penitentiary].

Second, carrying out audits in the banks that experienced intervention, and the injection of funds into those banks so that everything is above-board.

Third, establishing a banking security network in order to help with the liquidity of the rest of the system.

The macroeconomic stability that the system still has is, in large part, due to these measures, and this demonstrates that they have been accepted and that they were opportunely implemented.

[Masi] According to many people, Mr. President, the worst is yet to come, and the true recession is about to begin. What do you say?

[Wasmosy] Well, we believe that there will not be a recession. There is a constriction due to the factors that have been explained, but there is no reason to believe that the country will become stagnant.

You know that there is confidence in the national currency, there is no loss of international reserves, the exchange rate remains stable, and tax returns continue to be good.

In general I would say that the country is operating normally and the credit and operative restrictions are being quickly resolved.

[Masi] In remarks to "Masinformes," Argana accused the Paraguayan Government of not having known how to negotiate its membership in Mercosur [Common Market of the South]. What is your opinion, Mr. President?

[Wasmosy] As with all treaties, there are always defenders and detractors. It reminds me somewhat of the Itaipu Treaty, which I consider to be a legal monument. At one time this treaty was very much scorned — I do not know whether that is the right word — but today we are returning to Annex 86, and thus we will achieve shared responsibility up to a certain point, practically a co-governorship between Paraguay and Brazil.

We can say the same thing about Mercosur. It is a framework treaty, but it is the private sector that is the motor of that development and of that opportunity, because it is an opportunity. The governments have created the legal framework within which the private sector must move and operate.

Now, it is the government's task to educate, train, and create the necessary infrastructure that will help that private sector in its undertaking. If we do not educate and train ourselves, if the businessmen are not aggressive, and if they do not prepare themselves for this opportunity, then I believe we will not have taken advantage of this treaty.

Conversely, if we go out and see what the international market is asking for, in which ways the market can be complemented, and make the (?attempt) to really be more creative, to increase our productivity, and, therefore, be competitive, then I believe we will be on the right path and we will be able to take advantage of this opportunity.

[Masi] Returning to the topic of politics, Mr. President, is the governability pact really necessary for government?

[Wasmosy] I believe that the governability pact, as a more exact expression of the will for dialogue, is important, not only for my government, but for the nation as a whole.

The responsibility of building, day by day, a more just society, a society with more solidarity, a more fraternal

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society, is not only a responsibility for the government, but for all the citizens.

In this respect, I wish to reiterate what I have maintained quite often: Dialogue and tolerance are fundamental for better understanding ourselves.

My government has decided to consolidate the democratic process, and this task will be easier if all sectors of society contribute to it within the framework of a great national governability pact.

[Masi] Mr. President, how would you qualify the work of Congress?

[Wasmosy] As we have noted, the executive branch has to face some problems. I understand that Congress also has to face its problems. This notwithstanding, I would dare to say that the majority of the congressmen make an effort to support the executive branch. If there have been some contradictions, I believe they were the result of the different way in which the questions pertaining to each of the branches of government are viewed.

Moreover, I have to acknowledge that each time I have requested the support of Congress, particularly the support of the president of Congress, I have found the greatest goodwill. I hope that for the rest of my mandate, no matter who the president of Congress is, these links will become closer through a greater coordination between the two branches of government.

[Masi] Let us now move on to a very controversial topic, Mr. President. Is it true that while there is pressure for [Army Commander] General [Cesar Lino] Oviedo to go into retirement, you will keep him in his post?

[Wasmosy] Well, only God is essential in life. Only the institutions are indispensable in the life of a state. No one in the Armed Forces is unremovable.

But it must be reiterated that our Armed Forces adapted perfectly to the new democratic times that the country is experiencing and I am proud of the respect and the support that I, a civilian, am accorded and given by their commander in chief. I sincerely feel the respect and support of the Armed Forces.

You must remember, and I repeat this, that I am a civilian, and in accordance with the Constitution and the laws, it is my job, as commander in chief, to use the Armed Forces, to organize and distribute them. I am carrying out this job in total accordance with the military laws and rules and regulations, and I will continue to do so.

In our country, the right to freely express opinions is fully in force, and in this respect, the opposition has the right to express its opinion. It can even ask for the retirement of any officer.

But the responsibility for the organization of the Armed Forces, and I repeat this, belongs to the commander in chief, and I will always act firmly in this role. I will exercise the power that is legally granted to me for the better organization and functioning of the Armed Forces, and, if necessary, I will order the retirement of any officer of the Armed Forces, something that I have done on several occasions. Moreover, they are prepared for this situation.

[Masi] Some people say that recent changes, such as the one involving the vice defense minister and the Air Force chief of staff, affected people very close to Gen. Oviedo. Is this so, Mr. President?

[Wasmosy] No, absolutely not. The shifting from one position to another is routine in the Armed Forces. People think that if a person is named vice defense minister, he is already being set apart for retirement. This is not so. Proof of what I am saying are General Oscar Diaz Delmas, who is chief of staff, and General Cesar Cramer, who is the head of the Air Force. What happens — and civilians have a hard time understanding this — is that the number of high-ranking positions is few relative to the number of people who have the same rights, expectations, and capabilities as those who are designated to those positions. Unfortunately, we must rationalize our Armed Forces, just as we must reduce the size of the state. We are not in a period of war, thank God, and there are few positions for all of them.

[Masi] Lastly, Mr. President, what do you expect from the three years that remain of your mandate?

[Wasmosy] When I look at our experience over the past two years, I am convinced that our future will be better. The causes that created all the difficulties we are experiencing today will tend to disappear. Our judicial system has been renewed. The rules of the game were not clear, no one was sure the rules guiding the economic game were going to be respected, there was a lot of uncertainty with respect to our currency and our relations within Mercosur. I think that today we are moving with firmer steps and with more political maturity. This reality is touching the executive branch as well as the legislative branch, and even the common people. Besides, I think that with time, our people will gradually understand that tolerance, dialogue, and consensus are the most appropriate tools for consolidating our democracy and building, together, that fatherland our ancestors dreamed of and our children demand today. I can assure you that our country's future is really promising.

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Peru

Police Officers Cited on U.S. Drug Enforcement Aid

PY1808031495 Lima EL COMERCIO in Spanish 2 Aug 95 p A12

[FBIS Translated Text] Drug Enforcement officials of the Peruvian National Police [PNP] said on 1 August that U.S. cooperation is essential for fighting the drug trafficking scourge. They made this statement after learning that the U.S. Government is planning to resume drug enforcement aid to our country.

The unanimous opinion of the consulted sources is that the funds should be managed by a mixed commission made up of U.S. and Peruvian citizens, "because the drug enforcement police have not received anything from cooperation agreement funds."

A high-ranking Antidrug Division (Dinandro-PNP) officer says: "There isn't just one, but several, drug enforcement agreements that were signed by Peru and the United States. Yet all that is insufficient. If we add up the economic contributions, we conclude that the amount is smaller than in previous years."

A 1 August international news agency report said the United States is planning to resume drug enforcement aid to Peru, which was partially discontinued in 1992, after President Alberto Fujimori Fujimori dissolved Congress.

The high-ranking PNP officer said he was unaware of the aid amount for this year. "It is known, however, that it is around $12 million a year. In the past, cooperation amounted to $18 million a year," he said.

He explained that the funds are used not only for repression or for banning illegal drug trafficking, but also for eradicating coca farms through manual work.

The United States has offered 10 "UH1-H" or "Bell 212" helicopters to the antidrug police. They are old, Vietnam war era helicopters.

The United States has also offered to train Dinandro-PNP personnel in antidrug operations, both in Peru and in the United States.

The United States is also cooperating to control chemicals because it offers money allowances for police teams to travel to the interior of the country to make investigatations.

The fuel for the PNP helicopters that fly over the Huallaga River also comes from the $8 million in aid. The United States also pays for the maintenance cost of some old vehicles that it donated to the antidrug police, and charges for uniforms and food (rations for the patrols engaged in antidrug operations in the jungle).

An agreement with the Drug Enforcement Agency (DEA) provides for payment for information offered by "informants" to bust traffickers' organizations.

The agreement also provides for spending on electronic intelligence equipment granted to Dinandro-PNP for monitoring drug traffickers' communications or signals from suspect planes.

Antidrug Police Needs

The PNP officials who were consulted listed the needs that should be met by the countries that are believed to be jeopardized or affected by the scourge of drug trafficking.

The police need more planes with greater capacity and increased power.

They also need more, and sophisticated, communications equipment for helicopter operations. The equipment includes portable phones or mobile phones with protection to avoid monitoring by drug traffickers.

Furthermore, the police need economic incentives for their personnel. Up until two years ago, PNP officers and noncommissioned officers received extra pay of $100 and $90 per month, respectively. This extra payment was suspended in 1994. The government, however, has apparently continued to make part of such extra payments.

For police operations, there is, moreover, an urgent need to repair and improve the airstrips that are used by PNP planes, like the Santa Lucia antidrug base airstrip, which is in poor condition, or the Mazamari airstrip in Satipo (Junin).

Observer Mission for Demilitarized Region Planned

PY1808015995 Lima EL COMERCIO in Spanish 10 Aug 95 p A4

[FBIS Translated Text] Government sources reported yesterday that the Ecuador-Peru Military Observers Mission [MOMEP] made up of the guarantors of the Rio de Janeiro Protocol appointed to surveil the demilitarized border region between the two countries encompasses 40 MOMEP officers, a group of soldiers entrusted with granting logistic support, and the liaison generals from Peru and Ecuador. The sources added that MOMEP will start its activities after the approval of the procedures contained in a document which Peru, Ecuador, and the guarantor countries will reportedly sign next week in Brasilia.

Procedures for the full enforcement of the third point of the MOMEP communique issued on 25 July were approved a few days ago. This third point delimits the

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demilitarized zone and establishes that it will be up to MOMEP officers to surveil the area.

Nevertheless, this measure does not specify how many MOMEP officers will be entrusted with this task, or when and in which area of the demilitarized region they will establish their base of operations.

Daniel Mora Zeballos, the Peruvian liaison general before MOMEP, visited Quito for one week. During his stay in Ecuador, Mora Zeballos met with his Ecuadoran counterpart, General Cesar Duran. The ad hoc procedure for enforcing the demilitarized region was implemented after this meeting.

The liaison officers will act like a Coordinating Consultive Committee in the demilitarized region. The ultimate objective of their presence is the promotion of trust. This is necessary in order to advance to the following step included in the Itamaraty Peace Declaration, namely, the definitive solution of "prevailing impasse situations."

The same sources told EL COMERCIO that "normally Generals Mora and Duran are in permanent contact with Brazilian General Francisco Pamplona to resolve any impending problem which must be consulted at the highest government levels in both countries."

It was also learned that both Peru and Ecuador agree that the permanence of the MOMEP mission in the demilitarized region will be extended for another 90 days.

It was specified, however, that before arriving at an agreement, MOMEP will make suggestions and receive proposals from the parties involved on the date of the start and termination of the MOMEP mission during the meeting in Brasilia.

Ecuadoran Ambassador Notes Need for Rapprochement

PY1808040295 Lima EL COMERCIO in Spanish 11 Aug 95 p A5

[FBIS Translated Text] Gustavo Ruales Viel, the Ecuadoran ambassador to Peru, yesterday stressed the need for establishing mechanisms that will promote rapprochement between Peru and Ecuador.

He said: "The military phase is over; therefore, the basic issues will now be discussed at the diplomatic level. At the same time, we must also work on measures that will promote trust. Much has been achieved to ease tensions. This has evidenced the willingness of the two countries to find ways to overcome their differences and achieve an understanding."

Ruales Viel said that Ecuador and Peru "can and should become effective partners in development."

He stated: "This is something both countries should be aware of because it will help us achieve the well-being of our people. Perhaps we should identify the great national interests of our two countries and try to bring them together. I believe it will be quite useful if Peruvian and Ecuadoran businessmen, intellectuals and politicians get together ... because through these meetings we will become aware that we are two sister nations that have much in common."

Ruales Viel said prevailing bilateral problems must be overcome within the framework of the Rio de Janeiro Protocol. He added: "The assistance of the guarantor countries through MOMEP [Ecuador-Peru Military Observers Mission] has been quite useful. Its assistance should continue to be useful because they can still offer an effective contribution in the future."

Ruales Viel made this statement during the reception he hosted at the Ecuadoran Embassy on the occasion of Ecuadoran independence day.

Fujimori Not To Hold Bilateral Meeting With Duran-Ballen

PY1608223895 Madrid EFE in Spanish 1809 GMT 13 Aug 95

[FBIS Translated Excerpt] Lima, 13 Aug (EFE) — Peruvian President Alberto Fujimori said he will not hold a bilateral meeting with Ecuadoran President Sixto Duran-Ballen during his upcoming trip to Quito to attend the Rio Group summit.

Fujimori's visit to Ecuador will be the first by a president of either country to the territory of the other after the undeclared war fought by the two countries in the Cenepa River border region in the Condor Mountain Range from 26 January to 28 February 1995.

President Fujimori said that the reason for his presence in the Ecuadoran capital is to participate in the Rio Group summit, which will include discussions of issues of international interest from which Peru cannot be absent.

"I am not going to Quito, but to a meeting of the Rio Group," said Fujimori during an interview on Channel 9 television in Lima on the night of 12 August.

President Fujimori's decision to travel to Ecuador was interpreted by various sectors of the country as positive because it is considered an important step in the relaxation process between the two countries after the military conflict.

Fujimori said he was pleased with Duran-Ballen's cordial reaction to his decision to travel and also with

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Duran-Ballen's remarks regarding the normalization of relations between the two countries.

Fujimori reiterated that there will be no bilateral meeting with Duran-Ballen in Quito to discuss the border problem that led to the military conflict. He said this issue is being discussed within the framework of the 1942 Rio de Janeiro Protocol, and that "there will be no bilateral meeting or other forum" to deal with this issue. [passage omitted]

Venezuela's Caldera Discusses Integration, Drugs, Crime

PY1708180795 Lima EL COMERCIO in Spanish 31 Jul 95 p B6

["Highlights" of an interview with Venezuelan President Rafael Caldera by Juan Carlos Lujan Zavala in Lima, some hours before his departure for Caracas]

[FBIS Translated Text] [Lujan] Mr. President, what is Venezuela's stance on Peru's decision to maintain the suspension of its active participation in the Andean Pact?

[Caldera] We want Peru — where the [Andean Pact] Board established by the Agreement of Cartagena is headquartered — to resume full membership of the Andean Pact. I discussed this with President Alberto Fujimori and even conveyed to him our aspirations that through Brazil, Uruguay, and Argentina, we may establish some linkage between the Andean Pact and the Common Market of the South (Mercosur), which would be a momentous step in South American integration. I broached this matter when I met with each of the Mercosur presidents.

[Lujan] Would that be a heterogeneous stance?

[Caldera] We have always viewed the subregional Andean Pact as a step towards integration rather than as a closed group. In this regard, we sympathize with all endeavors for integration with other regional blocs. Peru, like other nations, is free to negotiate with a view to signing agreements with other blocs.

[Lujan] Changing the subject, do you think drugs have a bearing on the mounting crime wave?

[Caldera] Venezuela used to be an outlet for drugs having Europe or the United States as their final destination. This phenomenon became so firmly rooted that we are now consumers and possibly, even producers of the raw material for the production of drugs. We must reach a major agreement on this subject, something which the U.S. Government wholly endorses. U.S. Secretary of Interior Bruce Babbitt manifested his country's interest in such an agreement and in an effective drug enforcement along the lines we have been following so far.

[Lujan] There is disquieting concern about a crime surge.

[Caldera] Of course, the tragic thing is that drugs have penetrated all social sectors and they are dreadfully harmful. Drug trafficking is a pernicious factor that helps crime to flourish. We are combating the illegal drug trade and have managed to reduce crime, but we think it is not enough. Venezuelans, especially the population of metropolitan Caracas, are deeply distressed.

[Lujan] Are you not concerned about estimates that there are 10,000 criminals operating in Caracas?

[Caldera] That is an estimate of the number of criminals and not an identification of them.

[Lujan] Nevertheless, even former Venezuelan President Andres Perez criticizes you for the lack of security in the country.

[Caldera] I do not want to talk about Mr. Perez, the fact remains that he is under house arrest (on embezzlement charges). He has the media at his disposal. He has access to communications, even electronic mail. Yet there are some who have been so bold as to claim that Perez's human rights are being violated.

[Lujan] Do you think that more officials will be booked for corruption?

[Caldera] We are working on that. We have tried to conduct a trial in the United States, which may have very significant implications, and to expedite extradition processes. Moreover, the United States — which shelters most of the fugitives — is willing to review and streamline extradition agreements.

[Lujan] Has capital flight greatly affected Venezuela?

[Caldera] The most important factor was that corrupt bankers took a lot of money out of the country (capital flight from 1989 to 1994 is estimated at about $100 billion dollars). This caused a crisis in the financial system, which brought in its wake a run on the dollar, capital flight, loss of reserves, and devaluations. This forced us to adopt exchange control measures to protect our international reserves. Our present level of reserves is quite reasonable and we are liberalizing and making exchange controls more flexible so as to give guarantees to investors.

[Lujan] Do you believe Venezuela is implementing programs that are diametrically opposed to those adopted by other South American countries?

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[Caldera] We believe that exaggerations of a supposedly neoliberal orthodoxy are not applicable to all countries; still we are not flatly dismissing neoliberalism. We are furthering a serious and reasonable economic opening to attract domestic or foreign investments, but we must also adopt measures to protect Venezuelan economy from considerable damage. When [Ernesto] Zedillo took office as Mexican president in 1994, everybody said the economic model that had to be followed was the one pursued by [former President Carlos] Salinas de Gortari. Not a month elapsed when they realized the policy had caused devastating consequences for Mexico.

[Lujan] Even if macroeconomic indicators look bad for Venezuela?

[Caldera] Many times macroeconomic indicators improve whereas social indicators worsen. We have managed to achieve economic growth this month after registering a negative growth for eight straight quarters. We are beginning to make an earnest effort, which I hope will yield positive results, to roll back the inflation which last year ran at 70 percent to less than 40 percent this year. Although this is still too high, it is indicative of a downward trend. We hope to normalize this situation next year.

Normalization of Political Relations With Chile Sought

PY1708171995 Madrid EFE in Spanish 1651 GMT 16 Aug 95

[Report by Victor Robles Sosa]

[FBIS Translated Excerpt] Lima, 16 Aug (EFE) — Several analysts reported on 16 August in Lima that Chile and Peru seem to be near a solution that will allow them to normalize their political relations through the formation of commissions to analyze possible adjustments to the Lima Convention. [passage omitted]

Peruvian Foreign Minister Francisco Tudela reported on 15 August that as a result of the talks between the two governments, special commissions have been created through the respective Foreign Ministries to identify "adjustments" to the Convention.

In the case of Peru, the commission is headed by Border Director Jorge Colunge Villacorta.

A Peruvian Foreign Ministry source expressed optimism over the possibility of achieving a short term agreement, "considering the existence of clear political willingness in both countries." [passage omitted].

Fujimori: Debt Negotiations Should Remain 'Secret'

PY1608224095 Lima America Television Network in Spanish 0100 GMT 16 Aug 95

[FBIS Translated Text] Today President Alberto Fujimori said he will not inform Congress about the negotiations to reschedule the foreign debt because they should be kept secret. The head of state visited Palpa, where he dedicated an electricity transmission line.

The helicopter transporting President Fujimori landed on the southern Panamericana Highway in Palpa, from where he went to Yipata, where he dedicated a 60-kw electricity transmission line that links Nazca with Palpa. This line, which will replace power generated by a thermal plant, required an investment of 7.5 million soles and will provide power to 25,000 inhabitants of the zone.

The head of state took advantage of this visit to disclose the government's stance regarding negotiations to place Peru under the Brady Plan, a mechanism used to reschedule the foreign debt and reduce it.

[Begin Fujimori recording] As you can well understand, in negotiations of this nature between two parties, we are not going to reveal our cards because they will eat us alive. As we are not silly, we keep things secret. You may rest assured that we are negotiating under the best terms for the country and do not need to, nor will we, reveal the details of the negotiations. You know how it is — if I tell my friends, they, in turn, will tell their friends, and then the details spread everywhere, even among the bankers. As a shared secret is never secret, we would rather keep it secret. Don't come to me with the story that this subject could be raised during this or that secret meeting. We are old enough not to believe in that. [end recording]

The head of state then met with journalists and referred to the Brady Plan. Fujimori said progress is being made in the negotiations, but did not meantion any deadlines.

He also referred to the Children of Peru Foundation, which, as of today, his daughter will head together with Susana Higuchi, who will continue to be president of the organization.

[Begin recording] [Unidentified reporter] How long will it take to reschedule the debt?

[Fujimori] We do not have a preestablished deadline, but progress is being made. The international banking system, as well as the Peruvian Government, have expressed their willingness to reach an agreement. [end recording]

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President Fujimori's activities do not end here. Tonight he will meet with the council of ministers, reportedly to discuss next year's budget.

Fujimori Stresses Unity of Armed Forces, Government, Police

PY1808015395 Lima EL COMERCIO in Spanish 31 Jul 95 p A5

[FBIS Translated Text] Peruvian President Alberto Fujimori said yesterday that national security is closely related to economic and social stability, as well as to governability and viability. He also expressed hope that by the beginning of the 21st century, Peru will be a regional power.

He said this during a speech he delivered at a luncheon given at the Government Palace Grand Dining Hall for the Armed Forces and the National Police, immediately after attending the military parade on Brazil Avenue.

Present at the luncheon were the top military commanders, headed by General Nicolas de Bari Hermoza Rios, head of the Armed Forces Joint Command, and Lieutenant General Luis Alva Plascencia, National Police director general.

Fujimori made an assessment of his first administration, noting that "one of the predominant factors in the Peruvian success against the serious national crisis is the strong unity among the government, people, Armed Forces, and National Police."

The Peruvian president added: "And it has not been a superficial or seasonal unity that has emerged from a selfish political agreement, but one emerging from the confluence of true superior feelings, the first of which is our wholesome love for Peru."

He said that a viable project presupposes committing the efforts of the institutions whose primary function is the defense of our territorial sovereignty and integrity.

"Conflicts such as that in the upper Cenepa have demonstrated to us that Peru has a response capability and that the human element is of top quality in such adverse geographical conditions, and has made equal use of courage and imagination," he said.

Fujimori paid public tribute to the military officers and troops, "comprised mostly of courageous, resolute, and indomitable young people who put the spirit of the fatherland first."

Upon concluding his brief speech, the Peruvian president said: "I hope, and I am sure you also share my feelings, that on reaching the 21st century, in the beginning of the third millennium, Peru will become a regional power and one of the leading countries. Our destiny can be none other."

"I am beginning, gentlemen, a second administration, with the overwhelming support of the people. My goals and those of Peru are ambitious because the noble and suffering people of Peru deserve nothing less," the president said, addressing the group of top military officers.

Police Dismantle Narco-Terrorist Group in Huanuco

PY1608173195 Lima America Television Network in Spanish 0100 GMT 16 Aug 95

[FBIS Translated Text] The Huanuco police have dismantled a group of narco-terrorists who planned to abduct important businessmen of the region. Five of the group's members were captured during a raid on the place where they were going to hold their hostages.

Members of the Huanuco Antiterrorist Department, headed by Major Nilo Jurado Marquez, surprised a group of alleged narco-terrorists who had planned a series of abductions. Businessmen of this zone were the target of their plans.

Accompanied by Colonel Carlos Cespedes, chief of Huanuco police subregion, and Judge Rodolfo Vega, we traveled to an inhospitable place 15 km from Huanuco where the abducted businessmen were going to be kept. Here members of the antiterrorist department arrested an individual who zealously guarded the site.

The police then searched a type of cell where the abducted businessmen were to be held. At first glance, nothing could be seen but under a mound of earth is a hole with a small entrance door and a rustic ladder through which the victims would have climbed into the hole. There are two three-quarter inch tubes that serve as air vents.

Col. Carlos Cespedes explained why the narco-terrorists are acting in this way.

[Begin recording] [Cespedes] We believe they seek to reorganize their cadres.

[Unidentified reporter] Do you think this is because the drug rings are being dismantled in Upper Huallaga. Could this be one of the reasons for this modus operandi?

[Cespedes] That could be one of the reasons. [end recording]

Judge Vega also said this was the result of an exhaustive investigation that took many months.

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